



NSSC Board of Directors

December 10, 2008

Agenda

- **Review/Update**
Rick Arbuthnot, Executive Director
- **NSSC Executive Overview**
Rick Arbuthnot, Executive Director
- **Customer Satisfaction & Communication**
**Rebecca Dubuisson, Acting
Director, Customer Satisfaction &
Communication Office**
- **Business & Administration**
**Rebecca Dubuisson, Director,
Business & Administration Office**
- **Service Delivery**
Joyce Short, Deputy Director

A large Orion spacecraft is shown in space, oriented diagonally from the bottom left towards the top right. The spacecraft has a white nose cone with the NASA logo and an American flag, and a large orange cylindrical section. The Earth's surface is visible in the bottom left corner, and the blackness of space with some stars is in the background.

Vision

Unparalleled Service

To provide timely, accurate, high quality, cost effective, and **customer focused** support for selected NASA business and technical services.

Mission

FY09 Areas of Emphasis

- Improve service in areas of special interest
 - Extended TDY
 - Permanent Change of Station (PCS)
 - Benefits
 - On-Boarding
 - Document Management
- Institutionalize NSSC responsiveness program
- Stabilize Accounts Payable
 - % on time
- Capital Investments

FY09 Areas of Emphasis (continued)

- Critical Agency-wide contracting actions
 - ODIN re-compete NSSC
 - Information Technology Infrastructure Improvement Program (I3P) Tier 1 Help Desk
 - Security Services
- Managing NSSC portfolio

Responsiveness Program

- Implemented to address a growing perception that the NSSC is slow to return calls and not responsive
 - We did not have as much discipline in how we managed calls outside the Customer Contact Center (CCC) as we do inside the CCC
- The NSSC took actions to improve responsiveness
 - We use a standard “away” message when employees are out of the office
 - We tell customers how long it will take to resolve their issue when an issue is elevated outside the CCC
 - We gave the customers the option of receiving email alerts to track the status of their issue
 - We regularly update customers on the status of their inquiry when we cannot resolve an issue in 3 business days

Responsiveness Program (continued)

- Level 3 (Civil Servant) and staff have taken complete ownership of any inquiry elevated to them; no hand-off after 3rd transfer
 - » The third NSSC employee “owns” the inquiry from that point on
 - » The NSSC “owner” works with the customer and is the face of the NSSC
 - » The NSSC “owner” coordinates all NSSC actions and updates customer
- Staff do not refer customers to the customer service web to resolve an inquiry
- The NSSC Service Provider voluntarily adopted the Responsiveness Program
- Outstanding actions
 - Implementing case worker model for select HR activities (On-Boarding, Extended TDY)
 - Closing off communications with departed NSSC employees

Return On Investment (ROI) Status



NSSC and Center Projected Costs Oct-08

	2006	2007	2008	2009
Center Costs FY02 Center Provided	\$ 26.4	\$ 52.1	\$ 67.0	\$ 70.2
Center Costs FY02 w/New Business Cases	\$ 26.4	\$ 53.2	\$ 70.8	\$ 71.7
NSSC (Full Costs)	\$ 30.3	\$ 42.3	\$ 53.3	\$ 55.2
NSSC (Full Costs) w/New Business	\$ 30.3	\$ 42.8	\$ 53.9	\$ 56.2

Agency Avoidance	\$ (3.9)	\$ 10.4	\$ 16.8	\$ 15.5
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\$Millions

Start Up Funding	\$ 18.1	\$ 7.9		
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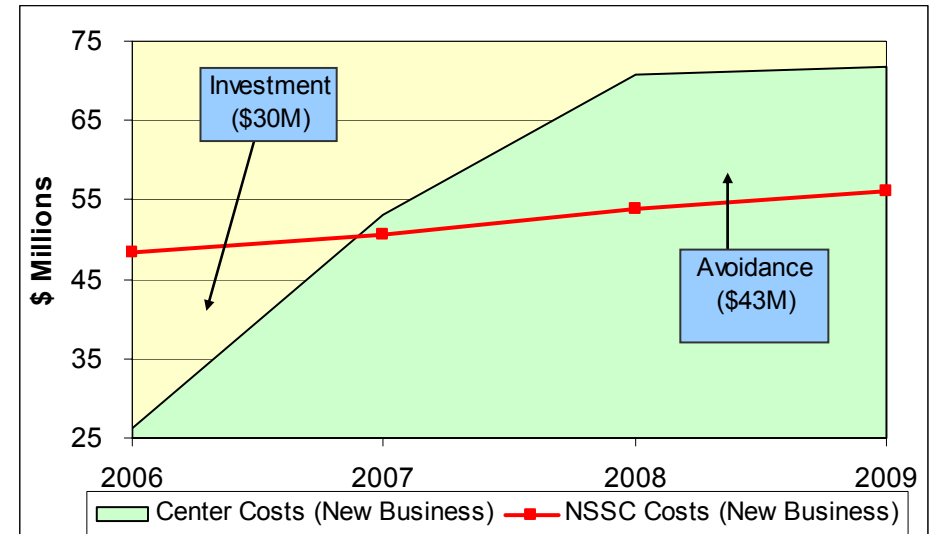
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Annual Avoidance	\$ (22.0)	\$ 2.5	\$ 16.8	\$ 15.5	\$ 16.1	\$ 16.8	\$ 17.4	\$ 18.1	\$ 18.9	\$ 19.6
Cumulative		\$ (19.6)	\$ (2.8)	\$ 12.7	\$ 28.9	\$ 45.6	\$ 63.1	\$ 81.2	\$ 100.1	\$ 119.7

NPV (\$M)	\$99.2
Payback Period	3.18
Internal Rate of Return	52%

For a 10 year period escalated savings at 4%, discounted at 2.5% (per Implementation Plan).

Years

Over 10 years



Drivers		Impact				
Date	Description	NPV (\$M)	Payback (# years)	IRR (10 yrs)	Savings (\$M)	Break Even Date*
Apr-05	Pre-Katrina Initial Calculation	81.1	2.69	61%	NA	08-Jun-08
Feb-06	Post-Katrina Adjustment	79.6	2.83	66%	95.3	29-Jul-08
Apr-07	Approved New Business+\$26M Start Up Funding	71.1	3.54	42%	86.6	15-Apr-09
Oct-07	FY07 Actuals Update+New Business Adjustment	77.9	2.95	52%	93.7	11-Sep-08
Jan-08	Agency Delay in AP/AR/FBWT	77.6	3.23	48%	93.9	22-Dec-08
Apr-08	Updated FY09 budget and FY07 Actuals for GHS	113.4	3.09	59%	136.3	01-Nov-08
Apr-08	Adjusted Center Costs for All Years (Jay Henn)	95.2	3.46	48%	115.3	16-Mar-09
Oct-08	FY08 Actuals Update	99.2	3.18	52%	119.7	04-Dec-08

*From 1 Oct 05. Official NSSC baseline Break Even Day is 15 Apr 09. Original savings projected at \$6M to \$8M per year.

Status of New NSSC Activities

- Ethics Program Tracking System (EPTS)
 - Approved for implementation by the Operations Management Council (OMC) on October 8, 2008
 - OGE 450 forms already automated, working to automate SF 278 forms by March 2009
 - Will begin efforts to approach other agencies after SF 278s have been successfully tested and used by NASA
- Agency Calendar Initiative
 - Approved for implementation by the OMC on October 8, 2008
 - Received new guidance on Agency calendar events from the November OMC; working with Kelly Carter to request Calendar Points of Contact (POCs) as an OMC action
 - Working to build new project schedule incorporating new POC milestones
 - » Request POCs - Train POCs - Populate Calendar
 - Anticipated Agency release at the end of January 2009

Status of New NSSC Activities (continued)

- Tier 1 Service Desk
 - Assigned to the NSSC during the Procurement Strategy Meeting (PSM) (November 17, 2008) draft of Statement Of Work (SOW) submitted to Office of Chief Information Officer (OCIO)
 - Anticipate 30-40 additional employees
 - Developing Agency team transition membership, expected start date is December 1, 2009
- Service Ordering System
 - Developing scope, anticipate 3-5 additional employees
 - Expected start date is December 1, 2009
- Agency Consolidated End-User Services (ACES) (End-User Services)
 - ACES PSM completed with authorization to proceed to Performance Work Statement/SOW (November 17, 2008)
 - Working with OCIO office to transfer 5 FTE to the NSSC for ODIN staffing

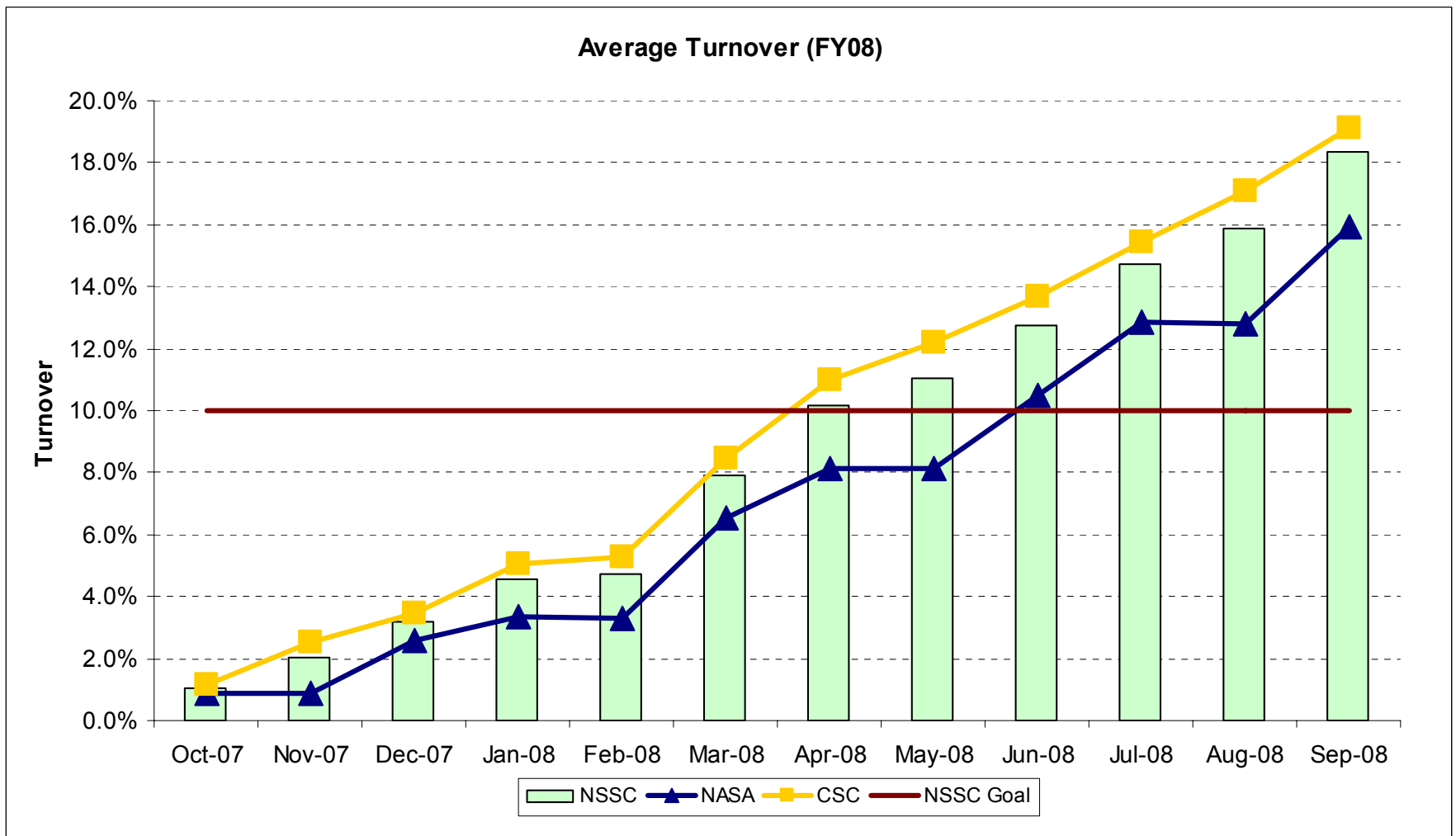
Status of New NSSC Activities (continued)

- Manage Agency Contract Administration Audit Services (CAAS)
 - ~\$84 million total budget needed for program management; functions include:
 - Bill payment
 - Budget management
 - Procurement management (including verification and validation)
 - NSSC is developing a detailed process flow
 - Transition will occur during FY09
- Manage National Center for Critical Information Processing and Storage (NCCIPS)
 - Began working issue in June 2008
 - The NSSC prepared a business proposal August 19 thru November 13
 - The NSSC proposal was delivered to SSC on November 13, 2008 and the OCIO November 14, 2008

Status of New NSSC Activities (continued)

- Manage Agency Conference Reporting and the NASA Conference Tracking System (NCTS)
 - NPR 9312.1 (September 2008) set limits for NASA conference attendance based on:
 - » Reporting Requirements and 50 employee attendance limit Public Laws 110-329 and 110-161
 - » FY09 conference funding limited to \$5M - Public Laws 110-329 and 110-422
 - » Defines the term conference aligned with Public Law 110-161 and GAO “Formal Conference” test
 - The NSSC is working with the Office of Chief Financial Officer (OCFO) to understand requirements and deployment of the NCTS

NSSC Attrition FY08



	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08
NASA	0.9%	0.9%	2.6%	3.4%	3.3%	6.5%	8.1%	8.1%	10.5%	12.9%	12.8%	15.9%
CSC	1.1%	2.6%	3.5%	5.0%	5.3%	8.5%	11.0%	12.2%	13.7%	15.4%	17.1%	19.1%
NSSC	1.1%	2.0%	3.2%	4.6%	4.7%	7.9%	10.2%	11.0%	12.8%	14.7%	15.9%	18.3%
NASA	1	-	2	1	-	4	2	-	3	3	-	4
CSC	3	4	3	5	1	10	8	4	5	6	6	7
NSSC	4	4	5	6	1	14	10	4	8	9	6	11

Rebecca Dubuisson
Director, Business & Administration Office
Acting Director, Customer Satisfaction & Communication Office

Customer Confidence and Loyalty

- Increase customer and stakeholder awareness
 - Focus Group – detailed session on rate development for NSSC services
 - NSSC Day – all Centers/all NSSC organizations
 - Annual Program, Planning, and Budget Execution (PPBE) ViTS
 - Center Transition Team ViTS/Operations Management Council/Board Of Directors/Executive Round Table/NASA Advisory Council
 - Functional Center visits
- Increase customer satisfaction
 - Surveys (Broad-based/other transactional customer satisfaction)
 - Customer Focus Group
 - Implement the Customer Responsiveness Program
 - Implement corrective actions for broad-based survey findings, where appropriate
 - Improve communications

Maintain an Environment of Fiscal Accountability

- Reduce Unit Costs of Services
 - Productivity studies
 - Process improvements
- Achieve ROI
 - December 4, 2008
- Contain Costs
 - Establish an optimal balance between overhead and functional costs
 - Implement process efficiencies (via capital investments and other mechanisms)
- Educate customers/stakeholders on the chargeback process
- Establish a core index for high-volume services (Accounts Payable (AP), Travel, Employee Benefits, Payroll, Training Purchases, Grants/Small Business Innovation Research)
 - Track actual achievements against the baseline to monitor rate trends

Broad-Based Surveys

- Background
 - Measures services that NSSC began performing in fiscal years 2006 and 2007
 - Areas surveyed included: FM, HR, and Procurement
 - Highest response rates for New Hire In-Processing, Extended TDY, SES Case Documentation, Financial Disclosures, Permanent Change of Station
 - The analysis includes a comparison of the current customer satisfaction levels against 2007 broad-based or prior baseline survey, where applicable
- At the close of the survey, 2,173 responses were obtained representing a 17% response rate across all surveys (response rates for each survey are shown on the next page)
 - While the overall response rate across all surveys is fairly low, several of the surveys had favorable response rates

Broad-Based Surveys

The following table shows the number of invitations sent and responses received for each of the surveys:

Functional Area	Survey #	Survey	Population	Number Invited	Final Responses 8/8	Final Response Rate	Margin of Error at 90% Confidence Interval
FM	1	General FM Survey	72927	2319	359	15%	4.33%
FM	2	PCS Survey	1348	560	157	28%	6.17%
FM	3	Extended TDY Survey	20	20	8	40%	23.11%
All	4	Off-Site Training Survey	12000	1172	302	26%	4.67%
All	5	On-Site Training Survey	33	33	8	24%	25.70%
HR	6	General HR Survey	16225	1466	300	20%	4.70%
HR	7	SES Case Documentation	60	55	17	31%	17.03%
HR	8	Financial Disclosure for Filers	1300	1183	198	17%	5.38%
HR	9	Financial Disclosure for Legal	105	105	28	27%	13.37%
HR	10	New Hire Survey	942	926	399	43%	3.13%
HR/FM	11	Leave Donor/Recipient Processing	2260	1141	284	25%	4.56%
PR	12	Grants and Cooperative Agreements Survey	613	576	78	14%	8.71%
PR	13	SBIR and STTR	439	336	35	10%	13.35%
				12501	2173	17%	

Note: The following surveys have margins of error that are at or close to traditionally desired levels of statistical significance:

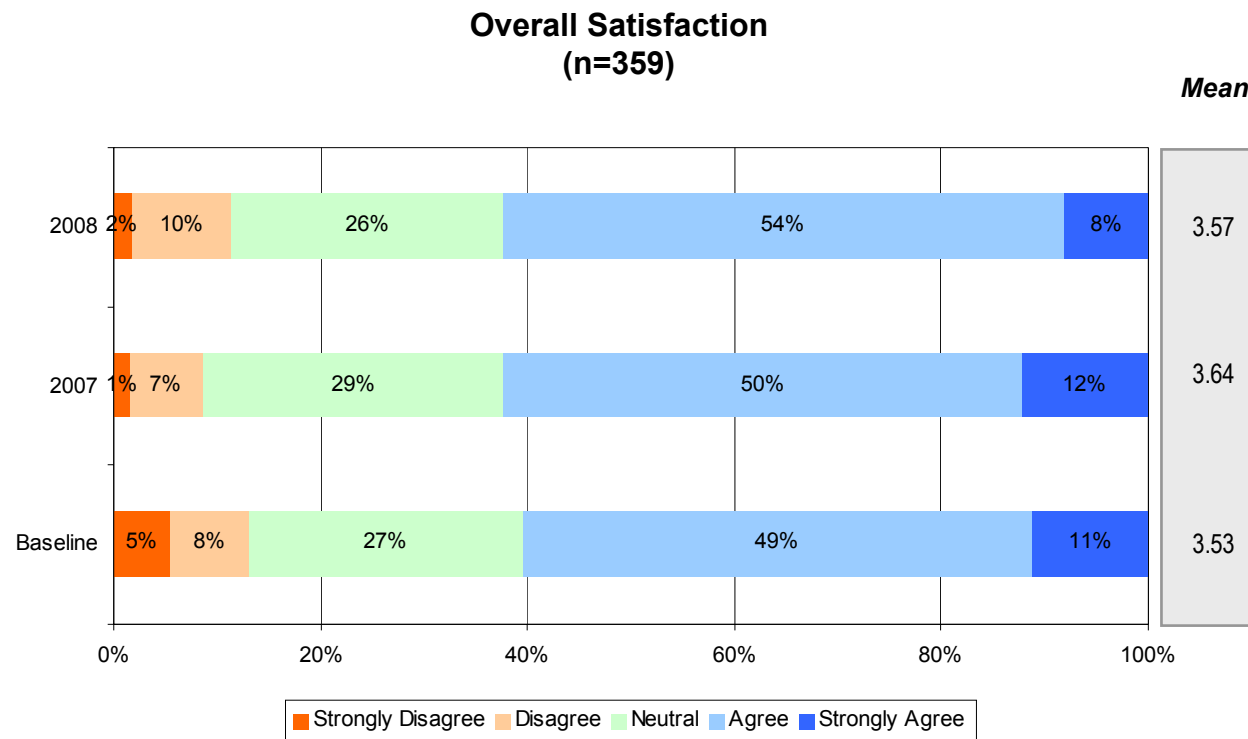
- General FM Survey*
- Off-Site Training Survey
- General HR Survey*
- Financial Disclosure for Filers*
- New Hire Survey
- Leave Donor/Recipient Processing*

* The margin of error is calculated on the response for the combined populations for these surveys rather than for each separate population included in the survey

Response rates for the other surveys are not large enough to meet traditionally desired levels of statistical significance. However, results provide directional guidance for the NSSC and should be used for that purpose. For small population surveys (< 20 in population), a 100% response rate would have been required to achieve a statistically significant sample.

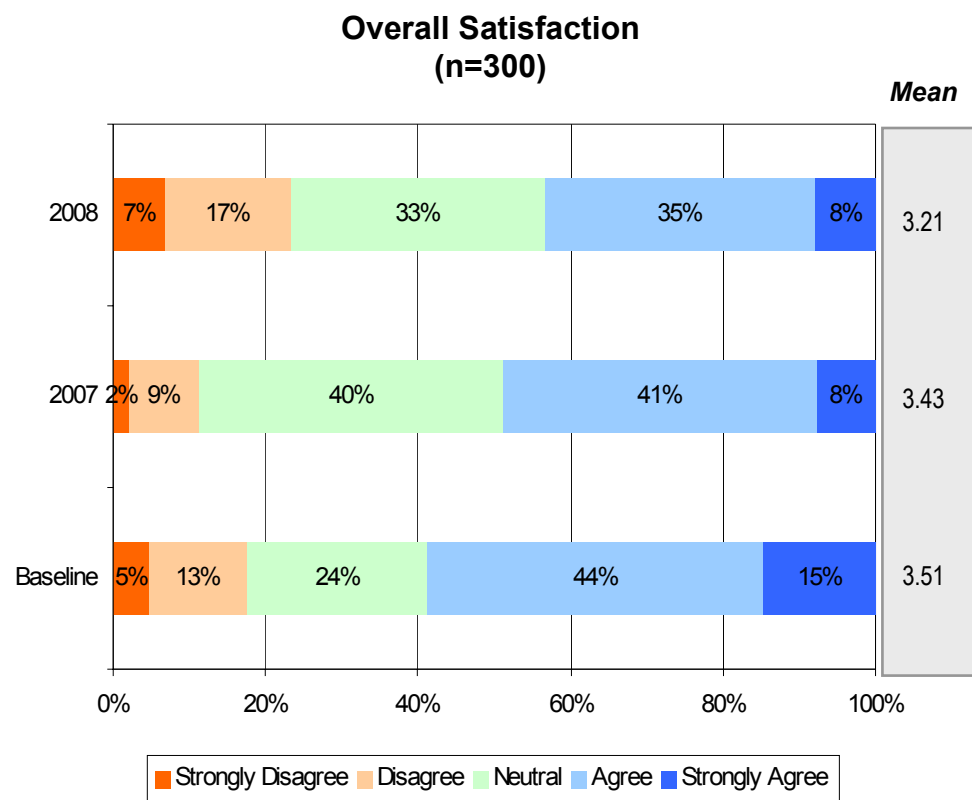
Overall Satisfaction with Financial Management

Overall satisfaction is positive but has declined slightly from last year's surveys. The mean satisfaction score is just above the baseline mean. 62% of respondents provided favorable ratings with only 2% expressing strong dissatisfaction.



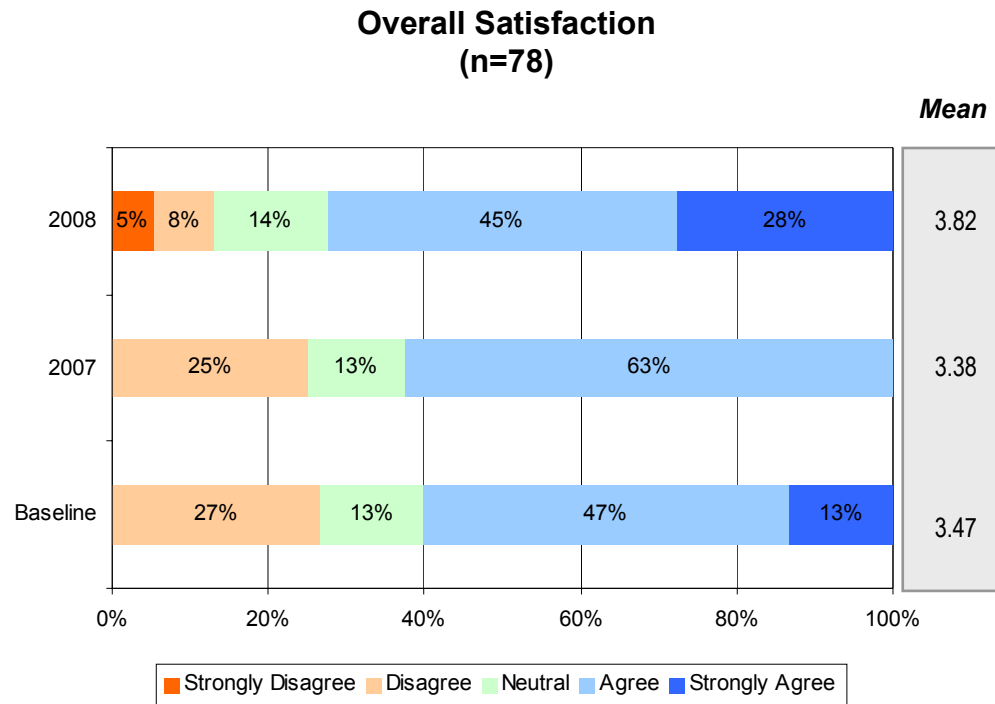
Overall Satisfaction with Human Resources

The majority of respondents provided positive or neutral ratings on overall satisfaction which represents a slight decline from 2007 and the baseline. 43% of respondents provided favorable ratings with 7% expressing strong dissatisfaction. The mean scores show a downward trend in overall satisfaction



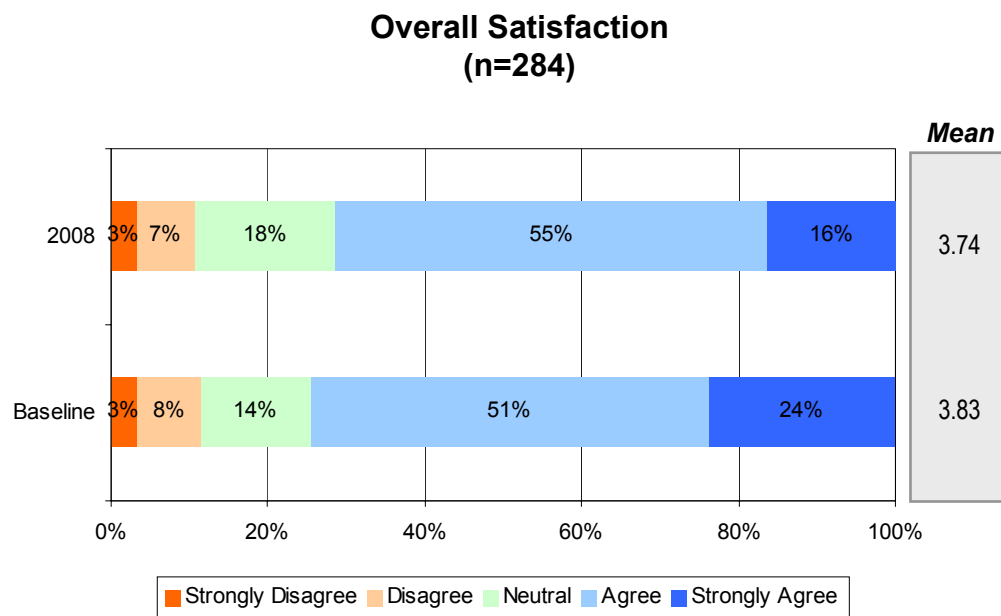
Overall Satisfaction with Grants and Cooperative Agreements

Overall satisfaction appears to be positive and shows improvement. 73% of respondents provided favorable ratings and only 5% expressed strong dissatisfaction. This is the first time respondents have expressed strong dissatisfaction, but this year's sample size was substantially larger than the 2007 broad based (8 responses) and baseline (18 responses) which typically yields a broader range of scores



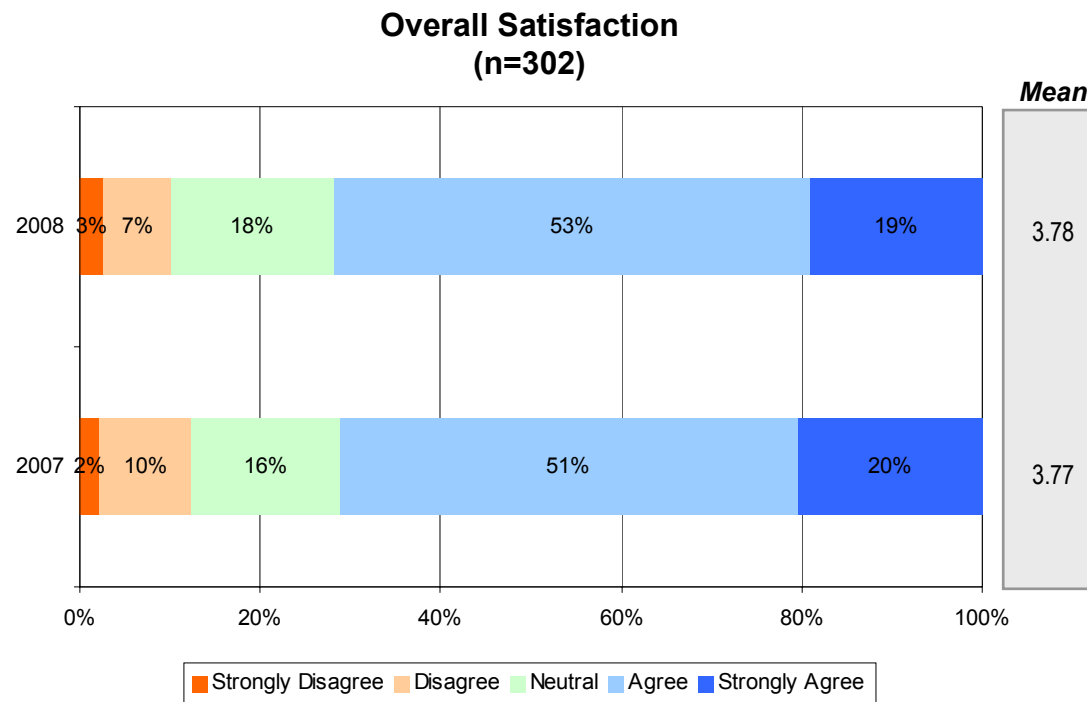
Overall Satisfaction with Leave Donor/Recipient Processing

Overall satisfaction is positive but slightly less favorable than the baseline. 71% of respondents provided favorable ratings and only 3% expressed strong dissatisfaction.



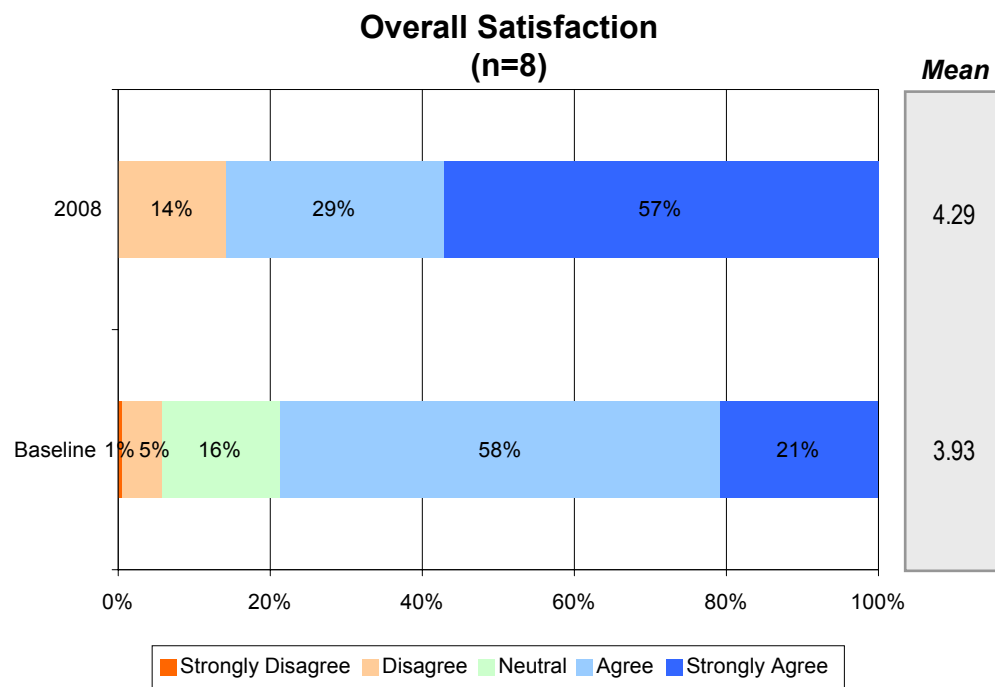
Overall Satisfaction with Off-Site Training

Overall satisfaction is positive with 72% of respondents providing favorable ratings with only 3% expressing strong dissatisfaction.



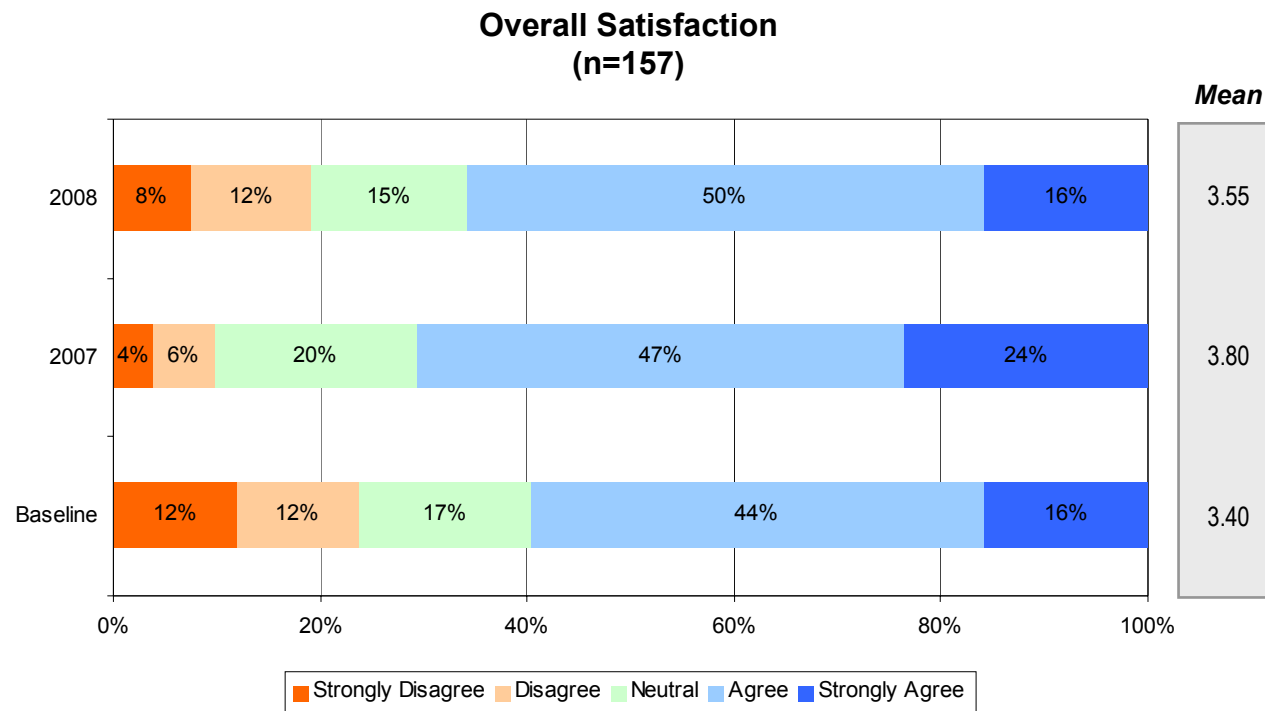
Overall Satisfaction with On-Site Training

Overall satisfaction appears positive with 86% of respondents providing favorable ratings and none expressing strong dissatisfaction. The small response to this years survey does not allow a conclusive comparison to the baseline.



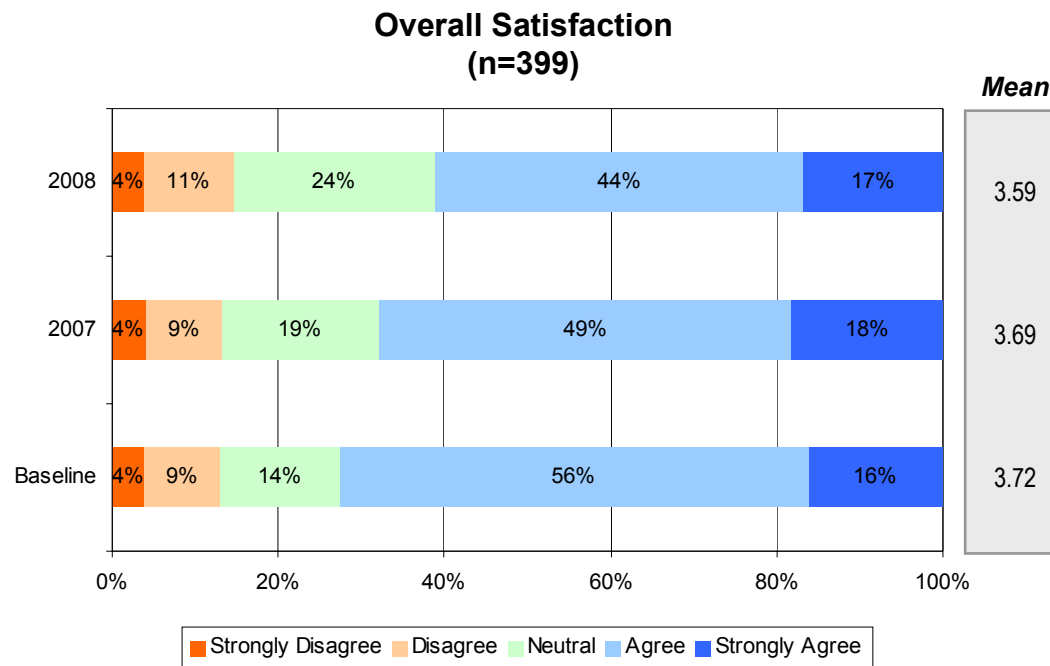
Overall Satisfaction with PCS

Overall satisfaction is positive and is higher than the baseline, but has declined since last year. 66% of respondents provided favorable ratings with 8% expressing strong dissatisfaction.



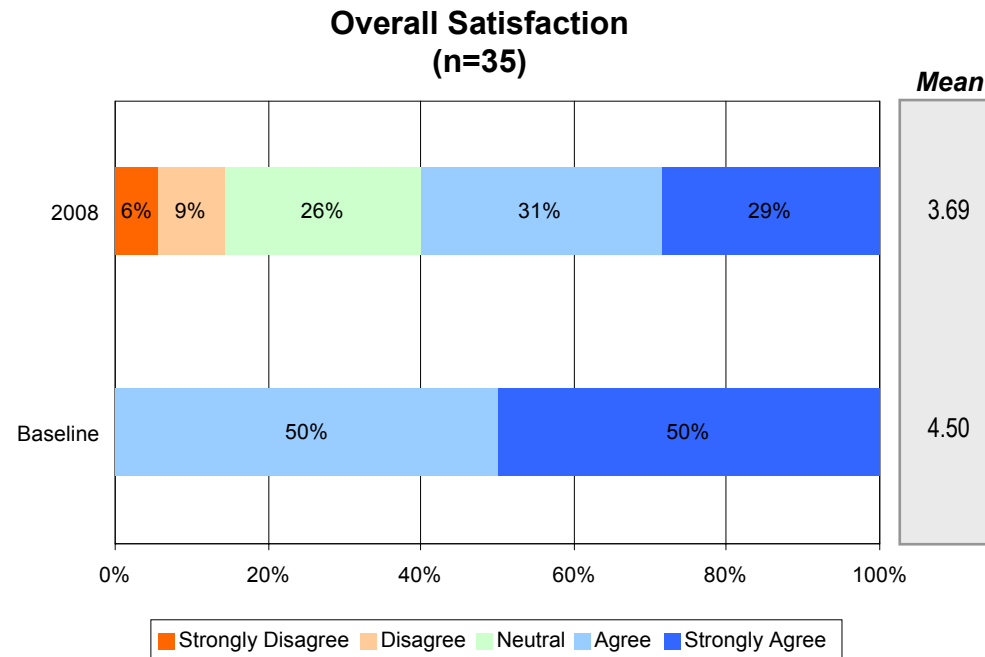
Overall Satisfaction with New Hire In-Processing

Overall satisfaction is positive but ratings have declined from the 2007 survey and the baseline. 61% of respondents provided favorable ratings with only 4% expressing strong dissatisfaction.



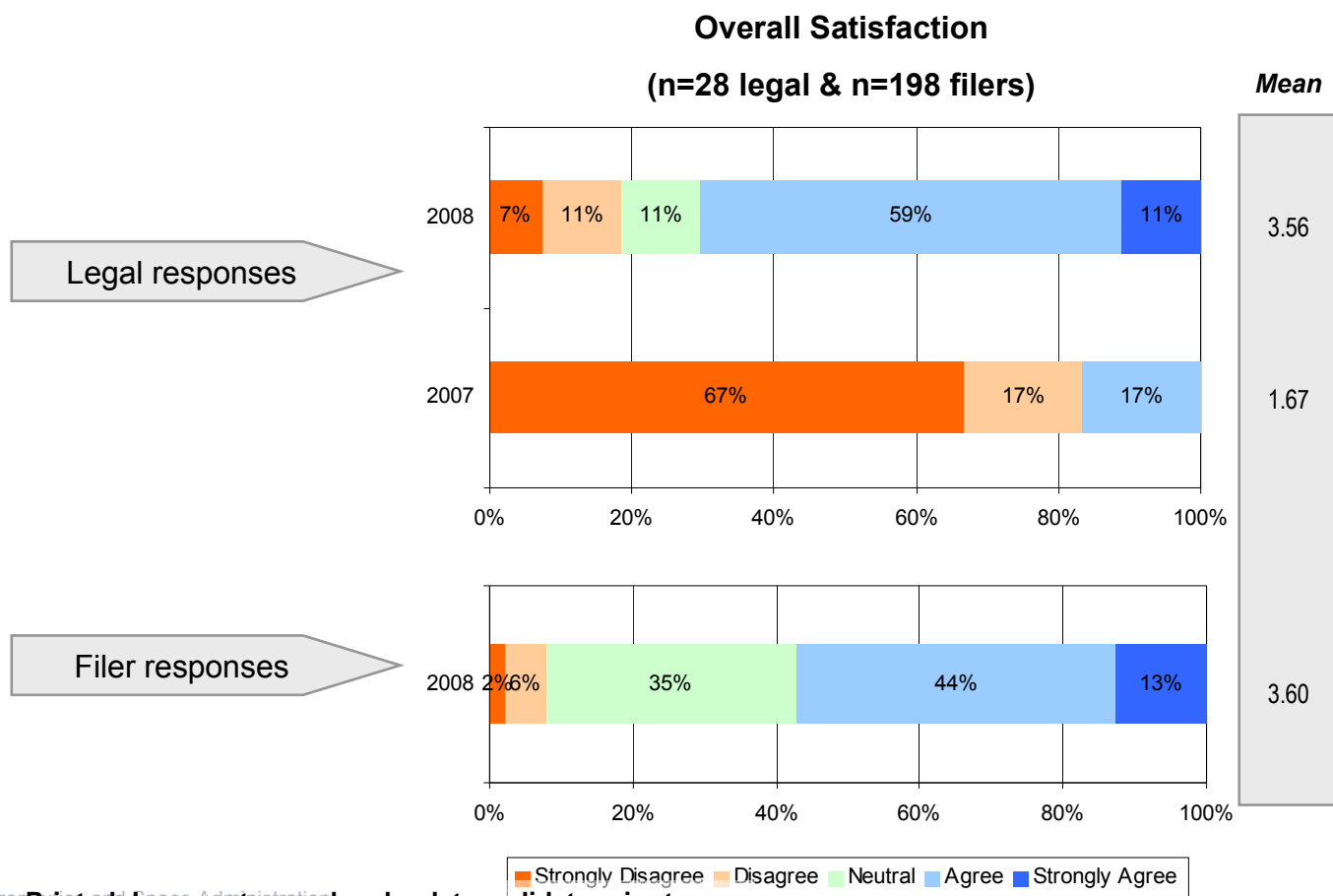
Overall Satisfaction with SBIR and STTR Award Processing

Overall satisfaction appears to be mostly positive or neutral. Comparison to the baseline is not conclusive given the small response obtained in the baseline survey. 60% of respondents provided favorable ratings and only 6% expressed strong dissatisfaction.



Overall Satisfaction with Financial Disclosure

Overall satisfaction is mostly positive among both customer groups and mean scores are very similar. 70% of the legal respondents gave favorable ratings and 57% of the filer respondents gave favorable ratings. While satisfaction appears to have improved among legal customers, the low response to the 2007 survey makes the comparison inconclusive.

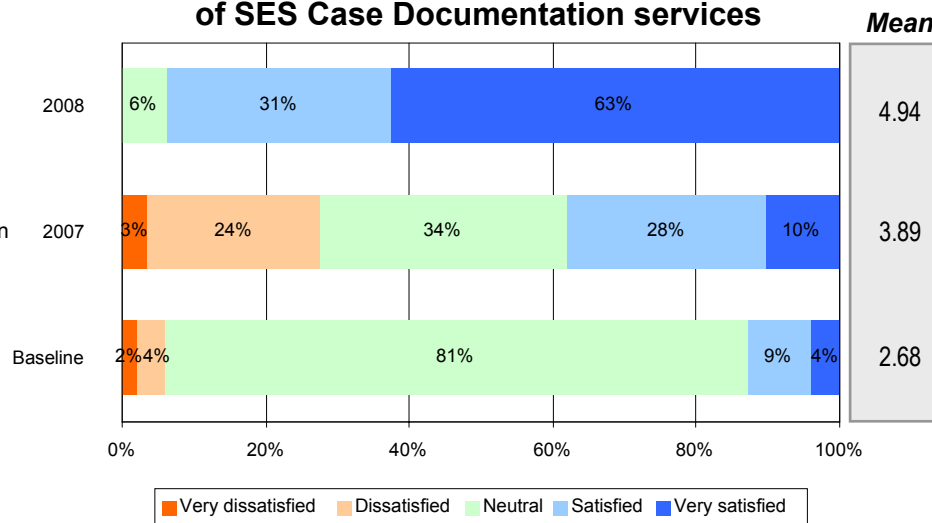


Evaluation of SES Case Documentation Services

The performance ratings on SES Case Documentation services are generally very positive and the majority of respondents view the services as very important. Results show improvement over the scores for the SES Case Documentation service obtained in the 2007 HR broad based survey and HR baseline survey.

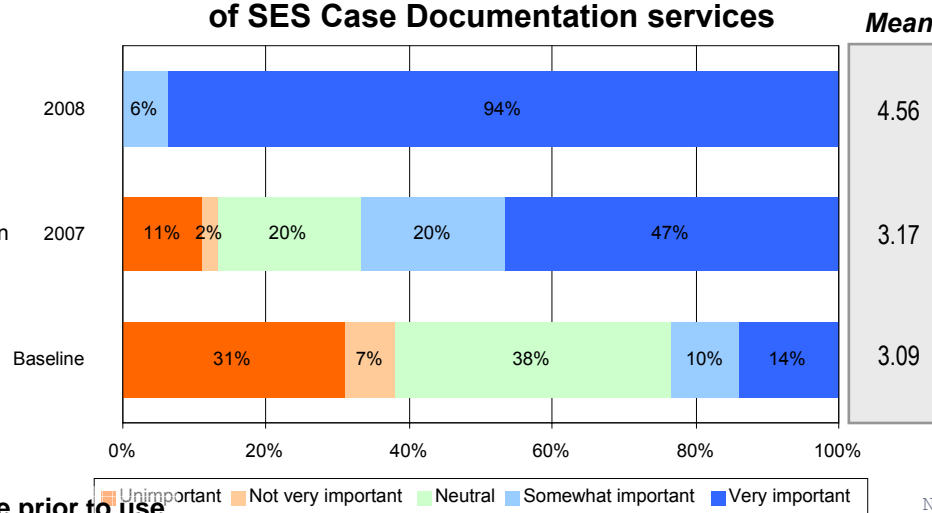
SES Case Documentation

Customer ratings on the performance of SES Case Documentation services



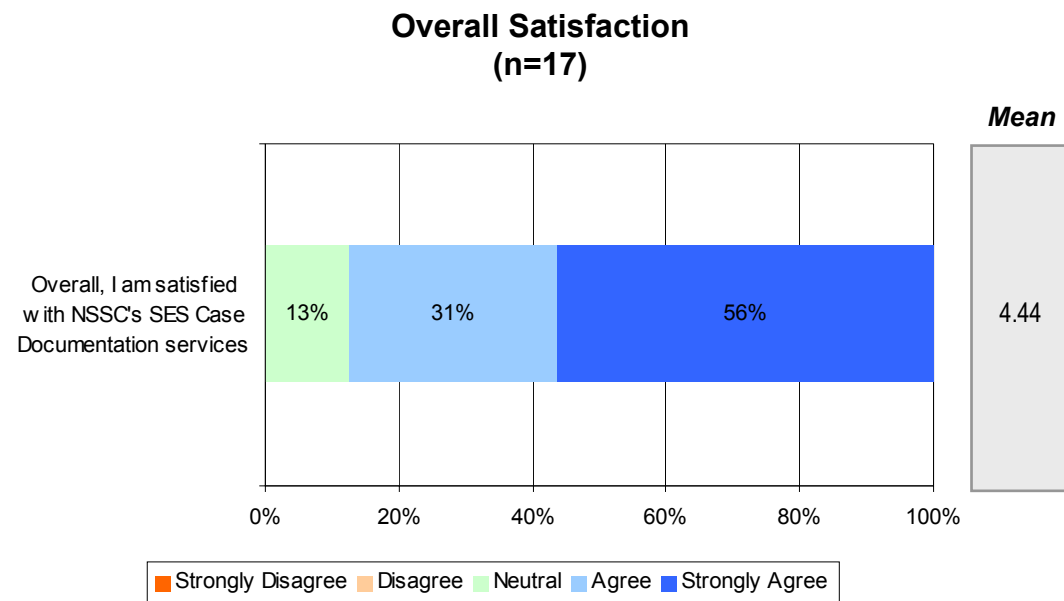
Customer ratings on the importance of SES Case Documentation services

SES Case Documentation



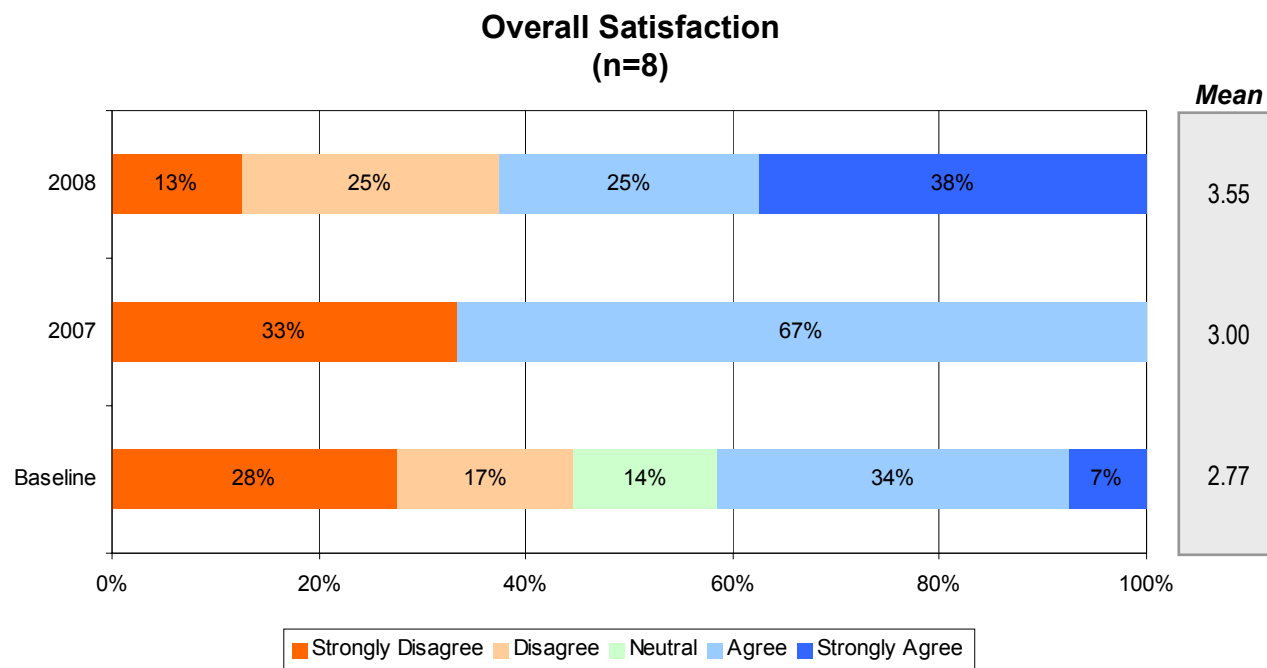
Overall Satisfaction with SES Case Documentation

Overall satisfaction is positive with 87% of respondents provided favorable ratings and none expressing dissatisfaction.



Overall Satisfaction with Extended TDY

Overall satisfaction remains mixed and may have improved slightly from the baseline and last year, however, the limited sample for this survey is inconclusive. 63% of respondents provided favorable ratings while 13% expressed strong dissatisfaction.



Broad-Based Survey Results

Common Areas for Improvement

- The most common areas cited for improvement
 - Knowing where to go for support
 - Ease of contact and communication
- Other areas for improvement
 - Process efficiency and timeliness
 - Staff knowledge and user-friendliness of the web sites and systems
- Consistent with the 2007 broad-based survey results, NSSC staff continue to receive high scores for exhibiting customer service attitudes such as courtesy, willingness to help, and showing an interest in resolving customers' problems
- Customers consistently state that “perform services accurately” should be the most important objective for NSSC personnel

Broad-Based Survey Overall Recommendations

- Investigate and address areas where customer satisfaction has declined
- Examine current processes in areas where efficiency and timeliness are noted as areas for improvement
- Investigate alternative methods other than surveys for gathering feedback on Extended TDY and On-Site Training services since survey responses were limited
- Recognize NSSC personnel for their positive customer service attitudes and ensure new staff are trained to demonstrate consistent attitudes
- Share the results with NSSC personnel, survey participants, and key stakeholders
- Develop a long-term plan for continued customer feedback that balances the need for feedback with the need for limiting frequency of surveys with customers
- Improve staff knowledge through training and mentoring

Customer Focus Group

- Goal of this session was to learn from NSSC customers who had negative interactions with the NSSC and to develop “Lessons Learned” to improve the customer experience
- Discussed primary communication issues, suggested solutions and improvements, and lessons learned
 - Be aware of the tone of written and verbal communications, and when communicating with customers, be sure to include as much detailed information as possible; be specific about what action is required
 - Customers would like sensitive issues (Advanced Sick Leave, PCS, Extended TDY, etc.) to be handled carefully by a single POC with a “case management” approach so they can avoid explaining themselves repeatedly to a new operator at the CCC
 - Ensure that there is a “closed loop” system; customers want to know that a fax has been received, an audit has been closed, etc. rather than feeling like their information has gone into a “black hole”

NSSC Financial Summary

- Current overall financial state
 - FY08 actual operating loss of \$64K (Working Capital Fund (WCF) services) – anticipated \$4.4M loss
 - » Primary drivers were:
 - Volume of grants processed
 - Volume of travel vouchers processed
 - Less cost than anticipated for SP for HR services and Procurement services
 - Over total cost plan by \$0.2M mainly due to overrun by SP
- ROI Model updated in October for FY08 Final Actual Costs
 - Break even date improved from March 09 to December 08

	NOR (\$M)	AOR (\$M)
FY06	9.155	9.155
FY07	2.802	11.957
FY08	-0.064	11.893
FY09*	-6.883	5.010

** FY09 estimate reflects liens/threats and assumes cost & utilization will be on plan*

- Accumulated Operating Results (FY06-08) \$11.9M
 - Absorbed GHS impact over estimate in FY07
 - Absorbed additional eOPF filing requirements in FY08 not in NSSC service rate
 - Absorbed development of Agency Calendaring project (Surveys, Audits, Assessments and Review Calendar)
 - Will absorb staffing increases for AP/AR in FY09 not built into service rates
 - Will absorb staffing increase for CAAS Support and ODIN Follow-On Contract Support
 - Fund “must pays” in IT, Document Imaging, and Remedy life cycle support
 - Bought down FY09 and FY10 rates during FY2010 PPBE cycle...plan to do same in FY11
- Net Operating Results FY08 (-\$0.064M)
 - Loss not as great as anticipated due to customer overutilization of travel and grants services

FY06 Net Operating Results	9,155
FY07 Net Operating Results	2,802
FY08 Net Operating Results	(64)
Accumulated Operating Results	11,893

FY09 Liens and Threats:	Risk #	(6,883)
Sustained COOP Activation	G 4073	(500)
SATERN 3-character type passwords	G 4725	(50)
eTravel Voucher Viewing	R 4891	(270)
PII / SBU Security Breach	Y 6161	(50)
AP Additional SP Staffing (25 WYE's)		(1,811)
CAAS Support		(500)
Agency Calendar Support		(12)
Conflict Management Training		(114)
FY09 Licenses & Maintenance of VOIP		(372)
Unbudgeted initial server refresh		(500)
IT disaster recovery hot site implementation		(250)
Mandated Network Consolidation Initiative		(405)
Document Imaging KOFAX Upgrade		(100)
Remedy Upgrade		(1,000)
ODIN Follow-On Contract Staffing (5 FTE)		(750)
Senior Technical Writer (GSA Contractor)		(200)
Total w/Liens & Threats EOY FY09		5,010

\$ Thousands

- EOY FY09 represents 7% of Total FY10 budget (9% of Services Only budget)
- No reserve budgeted in FY10 as part of PPBE10 rate reduction effort by NSSC

NSSC Accumulated Operating Results



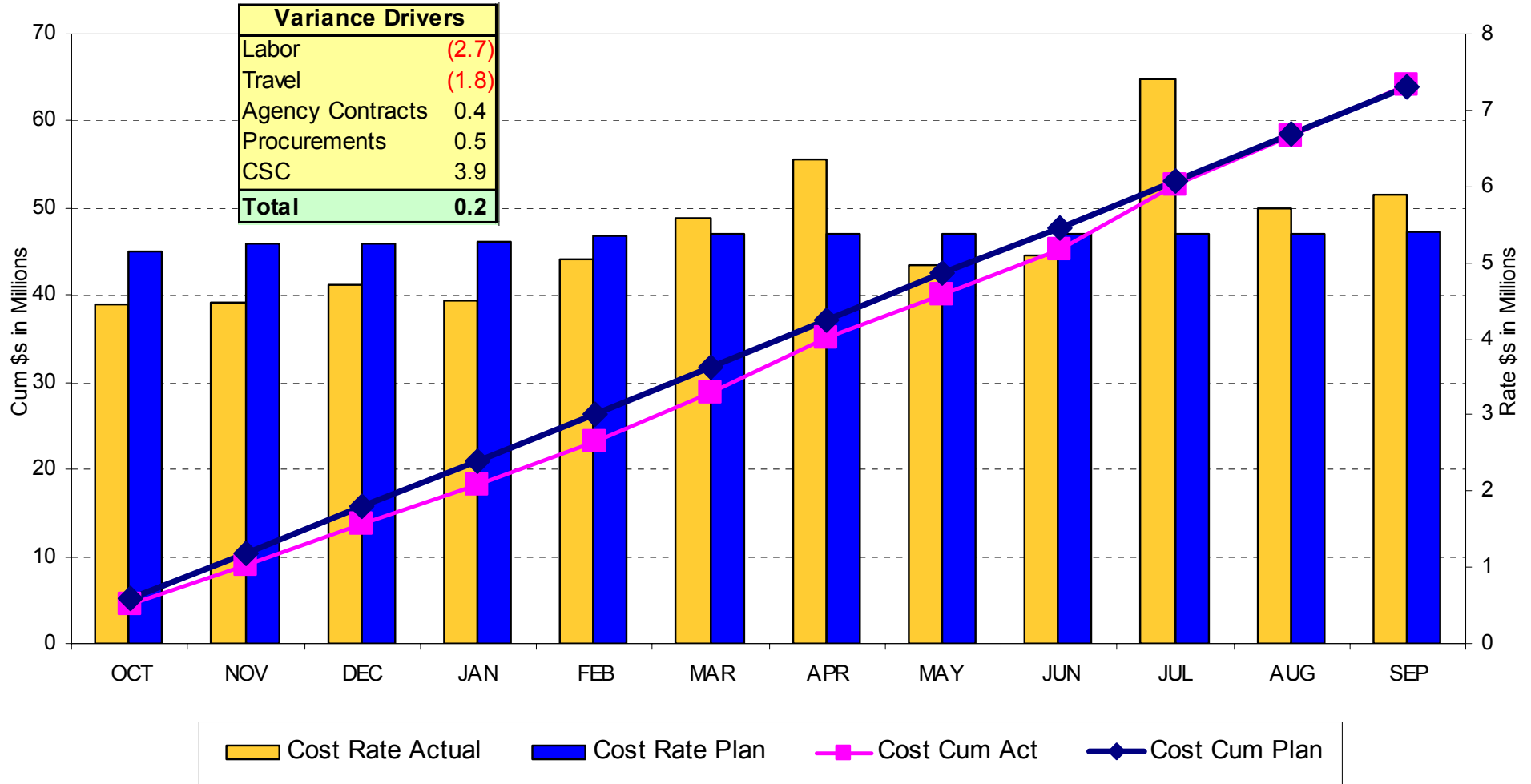
	SLA Rate (\$)	Actual Rate (\$)	Projected Rate (\$)	SLA Utilization	Actual Utilization	FY08 Gain/(Loss) (\$K)	FY07 Gain/(Loss) (\$K)	FY06 Gain/(Loss) (\$K)
Financial Management						(\$2,953)	\$1,891	\$2,556
Accounts Payable	259	361	361	37,404	28,539	(\$2,925)	\$0	\$0
Accounts Receivable	241	355	355	13,497	11,644	(\$1,325)	\$0	\$0
Payroll/Time & Attendance Processing	160	103	103	20,018	20,018	\$1,150	\$3,285	\$2,409
Travel Services	60	63	63	72,781	78,840	(\$204)	(\$1,481)	\$147
PCS Relocation Assistance	1,977	1,268	1,268	291	495	\$351	\$87	\$0
Human Resources						(\$1,337)	\$705	\$2,819
Support to Personnel Programs	165	142	142	20,018	20,018	\$461	\$1,211	\$2,299
Employee Development and Training	156	135	135	20,018	20,018	\$436	\$508	\$87
Employee Benefits	126	159	159	20,018	20,018	(\$671)	\$235	\$920
SES Case documentation	10,201	9,366	9,366	105	57	\$48	(\$756)	(\$486)
Human Capital Information Environment	113	122	122	20,018	20,018	(\$163)	(\$109)	\$0
Personnel Action Processing and Record	92	194	194	27,863	14,244	(\$1,447)	\$0	\$0
Procurement						\$3,824	\$206	\$3,779
Other Agency Procurement Services	238	120	120	20,018	20,018	\$2,357	\$2,040	\$975
Grants and Cooperative Agreements	3,453	3,015	3,015	2,196	2,402	\$1,052	(\$401)	\$2,484
SBIR/STTR Contracts	5,642	4,356	4,356	351	345	\$444	(\$557)	\$0
Offsite Training	136	116	116	12,523	11,396	\$226	(\$877)	\$320
Onsite Training < \$25K & COTS	382	1,039	1,039	978	427	(\$281)	\$0	\$0
Onsite Training > \$25K & NonCOTS	1,018	663	663	81	71	\$25	\$0	\$0
Customer Satisfaction						\$147	\$0	\$0
Center Liaison Support	130,027	108,176	108,176	9	7	\$147	\$0	\$0
Special Projects						\$255	\$0	\$0
Total EOY Service Earnings						(64)	2,802	9,155

Actual Rate = YTD Costs / YTD Utilization

Projected Rate = Projected EOY Costs / Projected EOY Utilization

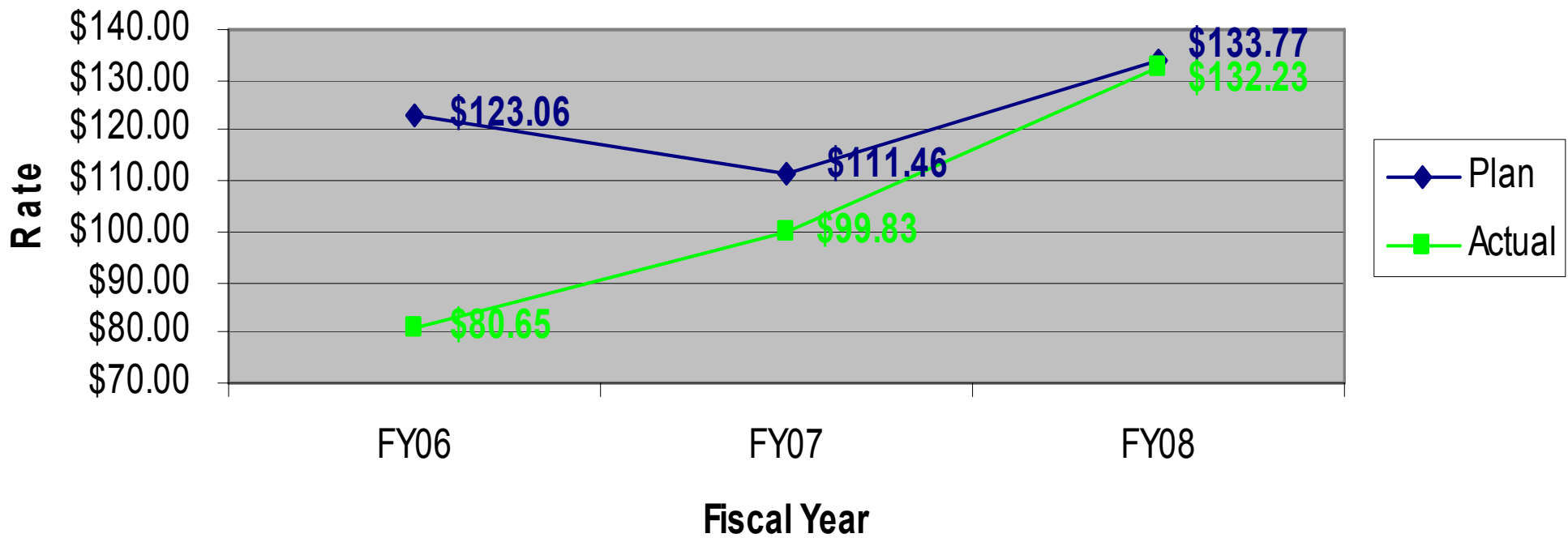
Projected Earnings = (SLA Rate - Projected Rate) * Projected Utilization

Current as of Sep 08 data



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	FY09
Cost Rate Plan	5.1	5.2	5.3	5.3	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	
Cost Rate Actual	4.5	4.5	4.7	4.5	5.0	5.6	6.3	5.0	5.1	7.4	5.7	5.9	
Delta	-13%	-15%	-10%	-15%	-6%	4%	18%	-8%	-5%	38%	6%	9%	
Cost Cum Plan	5.1	10.4	15.7	20.9	26.3	31.7	37.0	42.4	47.8	53.2	58.6	64.0	69.2
Cost Cum Act	4.5	8.9	13.6	18.2	23.2	28.8	35.1	40.1	45.2	52.6	58.3	64.2	
Delta	-13%	-14%	-13%	-13%	-12%	-9%	-5%	-6%	-6%	-1%	0%	0%	

Plan v Actual Composite Rate



The composite rate includes the following services: Accounts Payable, Travel, Payroll, Employee Benefits, Training Purchases, Grants and SBIRs.

Operations and Budget Management PPBE Schedule

- FY2011 PPBE Schedule
 - Aug 25: Data call package sent out to all Centers to project utilization and training procurement requirements for FY10-15 – COMPLETED 8/25/08
 - Sep 26: All Center submits due to NSSC – COMPLETED 9/29/08
 - Oct 24: All Center submits validated with Centers and adjusted accordingly – COMPLETED 10/31/08
 - Oct 31: Validated data sent back to Centers for review and comment – COMPLETED 11/5/08
 - Nov 28: Contractor estimate to support updated utilization for FY10-15
 - Dec 19: Complete analysis of costs and projected utilization to determine service level rates and Center chargebacks; Center participation in this phase
 - Jan 30: NSSC management decisions on final rates and Center chargeback's; review with Chargeback Senior Focus Group prior to Agency ViTS
 - Feb: Agency ViTS to review rates and chargebacks; PRG input submit to PAE
 - Mar-May: Support budget formulation for Agency activities not funded by WCF

Capital Investments

- Capital Investments
 - Remedy upgrade
 - Standards-compliant electronic invoicing system for vendors to submit invoices on-line
 - Invoice status system that allows vendors to check the status of their invoices on-line
 - IT Disaster Recovery Hot Site Implementation

NSSC Center Level Risk Summary

December 08



P R O B A B I L I T Y	5			4891		
	4					6154
	3			5077 4687	6161	
	2	4725				
	1			4073		
		1	2	3	4	5
CONSEQUENCE						

Risk Summary

Open Risks

- Red: 2
- Yellow: 3
- Green: 2

- All NSSC risks are reviewed and rated in Active Risk Manager (ARM)
- Mitigation/contingency plans have been developed and are tracked within ARM

Risk #	Risk Title	Probability	Cost	Schedule	Performance
6154	Grant Payments FMD Transition	4	2	5	1
4891	eTravel Voucher Viewing	5	3	0	3
4687	Lack of Consistent Use of Workforce Transformation Tracking System by the Centers	3	0	0	3
5077	AP-PPA Compliance	3	2	0	3
6161	PII/SBU Breach	3	1	0	4

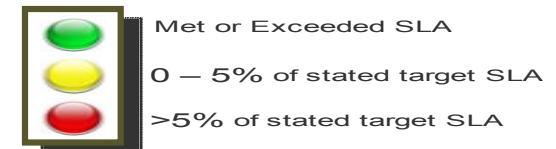
Joyce Short
NSSC Deputy Director and Director, Service Delivery

Performance Overview

- October 2008 performance
 - 23 of 25 indicators were green
 - Customer satisfaction
 - » 90% are satisfied or very satisfied with CCC service
 - » CCC answered 6409 calls (7974 total inquiries)

Activity	OCTOBER
Acct Payable - On time	
Acct Payable - Int. < \$200/ MM	
Payroll	
Domestic Travel	
Foreign Travel	
PCS (6) Travel	
PCS (15) Travel	
PCS (30) Travel	
Relocation Assistance- Prudential	
Agency Honor Awards	
Off-Site Training	
Internal Training <25K	
Internal Training >25K	
SES Appointments	
SES CDP Mentor Appraisals	
Retirement Estimate - 10 day	
Retirement Estimate - 20 day	
Retirement Estimate - 45 day	
Retirement Processing - 10 day	
Retirement Processing - 20 day	
eOPF - 15 Day	
eOPF - 25 Day	
Personnel Action Processing	
Grants	
Grants Supplementals	
SBIR / STTR - Phase 1	
SBIR / STTR - Phase 2	
Initial Call Resolution	
Call Response Rate	
Website Availability	

Legend



Note: Green, Yellow and Red for AP indicators are defined Government-wide as:

% Invoices Paid On-Time:

Green: >=98% Yellow: >=97%and <98% Red: <97%

Interest Per Million:

Green: <=\$200 Yellow: >\$200 and <=\$300 Red: >\$300

AP Areas of Focus

- Stabilization
 - Improve % On Time Payments
 - Work with OCFO and Centers to identify and implement changes that improve % On-Time Payments
 - Work with OCFO and Centers to implement benchmarking recommendations that improve % On-Time Payments or reduce operating costs
- Transition Grants Accounts Payable February 1, 2009

% On Time and Interest Penalties November 2008

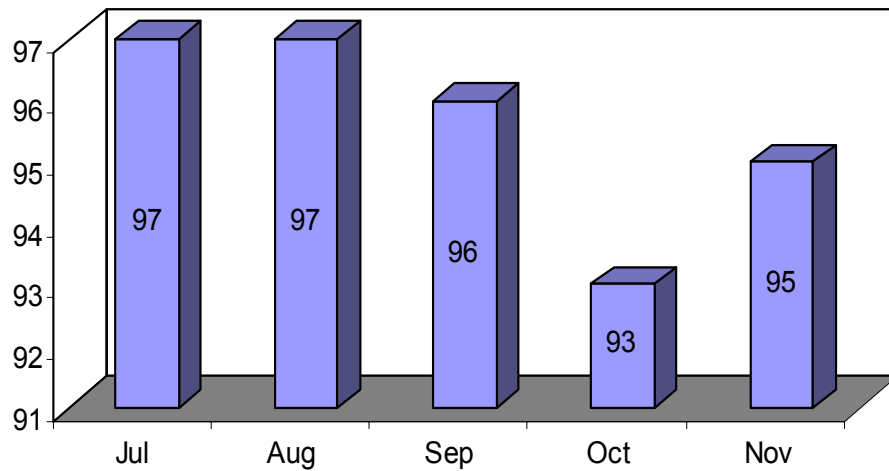
Center	# of Payments	Total \$ Amount	# of Interest Payments	Total Interest Amount	% On Time	Interest per \$1M
ARC	385	\$ 45,687,046.22	34	\$ 1,933.93	91%	\$ 42
DFRC	199	\$ 11,212,041.92	9	\$ 120.74	95%	\$ 11
GRC	680	\$ 35,703,933.19	9	\$ 322.91	99%	\$ 9
GSFC	1,247	\$ 215,847,843.82	66	\$ 4,562.45	95%	\$ 21
HQ	484	\$ 30,651,555.47	13	\$ 844.40	97%	\$ 28
JSC	541	\$ 385,611,497.13	39	\$ 4,396.62	93%	\$ 11
KSC	496	\$ 135,948,335.33	27	\$ 6,235.75	95%	\$ 46
LaRC	894	\$ 43,254,353.61	19	\$ 3,019.56	98%	\$ 70
MSFC	575	\$ 145,425,183.37	60	\$ 20,740.45	90%	\$ 143
NSSC	74	\$ 4,523,605.91	2	\$ 66.27	97%	\$ 15
SSC	126	\$ 14,613,655.60	3	\$ 210.78	98%	\$ 14
Grand Total	5,701	\$ 1,068,479,051.57	281	\$ 42,453.86	95%	\$ 40

Notes:

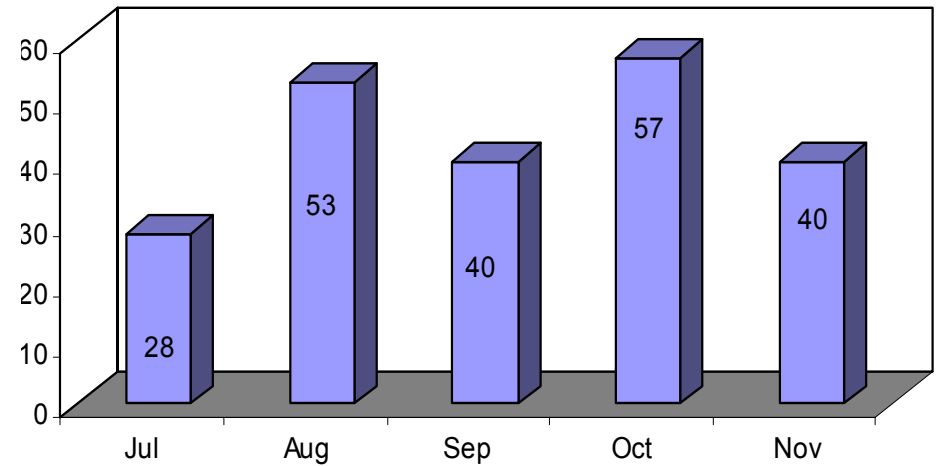
- (1) Green \geq 98%, Yellow $<$ 98% and \geq 97%, Red $<$ 97%
- (2) Green \leq \$200, Yellow $>$ \$200 and \leq \$300, Red $>$ \$300
- (3) Data includes interest payments paid via FI invoices
- (4) Utility penalties are reflected as interest

% On Time and Interest Penalties

On Time Payments as a Percentage of All Payments



Interest Payments per \$1M Payments



Reasons for Late Payments by Percentage July – November, 2008

Interest Reason	Jul	Aug	Sep	Oct	Nov
NSSC	30%	44%	29%	37%	25%
Late Approval	39%	23%	28%	26%	30%
Late Receipt of Invoice	2%	5%	9%	18%	7%
Delay in Receipt of Cost	9%	10%	9%	6%	7%
Funds Not Available	9%	5%	6%	1%	8%
Other	11%	13%	19%	12%	23%
	100%	100%	100%	100%	100%

Late Payment Mitigation Short Term

- Escalation Process
 - Revalidated POCs for escalation and added Center Deputy Chief Financial Officer (DCFO) back into escalation process
 - Reemphasized use of escalation process at processing level of NSSC
 - Reenergized NSSC Certifiers to perform their portion of escalation process
 - Added higher level review and monitoring to identify bottlenecks and systemic problems
- Training
 - Conducted Contract Payment Terms training
 - Institutionalized ongoing VPP real time training

Late Payment Mitigation Short Term (continued)

- Improve invoice statusing
 - SR filed with Competency Center to track the status of invoices routed through SAP Workflow
 - Developed improved due date report for internal NSSC use
- Communications
 - Work with Centers to jointly address problem areas (late approvals, late cost, late funding, etc.) and to identify process changes/improvements
 - Meet with Centers individually and collectively to identify issues and develop common solutions; initial Center meeting at KSC on November 18, 2008
- Implement electronic document management study recommendations for virtually real time invoice scanning

Late Payment Mitigation Long Term

- Implement long term recommendations from Benchmark Study and Core Transition Team:
 - Review/improve processes for utility bills, < 30 day invoices, purchase orders under \$30K, freight bills
 - Name NSSC as the Designated Billing Office (DBO) for all invoices
 - Use CCR instead of SAP Master Vendor list for vendor banking information
 - Agency review of 103/105 process (delivery/goods receipt/goods acceptance) at Center
 - Agency review of costing process
- Capital Investments
 - Standards-compliant electronic invoicing system for vendors to submit invoices on-line
 - Invoice status system that allows vendors to check the status of their invoice on-line

Extended TDY Update

- NSSC, Office of Human Capital Management (OHCM), and OCFO partnered to improve the Extended TDY process
- NSSC is taking the following actions to improve traveler's Extended TDY experience:
 - Updating the Extended TDY SATERN Training Module and encouraging travelers to take the training in advance
 - More training for NSSC and Center Personnel who provided Extended TDY advice and assistance
 - Rewriting the Extended TDY guide to improve readability and address employee's most frequently asked questions
 - Developing a tabbed Extended TDY packet that contains the guide and other useful information
 - Revising forms and checklists to make sure they are clear and consistent
 - Implementing a "case worker" customer service model for Extended TDY travelers

Benefits Update

- Retirements
 - Transitioned survivor and retirement counseling from Service Provider (SP) to Civil Servants (CS) in August
 - SP shifted to a support role computing retirement estimates, handling health insurance enrollments, processing benefits transactions, etc.
 - CS on-site retirement counseling for buy-outs
 - Quality review of retirement estimates by CS before release
 - Assigned CS Retirement Counselor identified early
 - “Warm handoff” between CCC and retirement counselors
 - Reviewing Retirement content on customer service web
- Advanced Sick Leave
 - Customer Service Website was updated to show how to properly code time cards
 - Confirmation of approval for supervisor and recipient - June 2009 WebTADS release
 - Reviewing request for recipient monitoring of donated leave balance and list of donors

eTravel Update

- eTravel is an eGov initiative that will replace Travel Manager
- KSC piloting eTravel system and processes
- NASA-wide deployment initially scheduled for October 2008 has been delayed; Agency Go/No-Go decision expected in Feb 2009
- Centers may centralize or decentralize preparation of travel authorizations, travel bookings, and preparation of travel vouchers
- NSSC actions
 - Working with the project team and KSC on the pilot
 - Modifying processes and documentation
 - Changing internal systems (Business Intelligence Data Mart, Customer Service Web, etc.)
 - Assessing the impact of eTravel on Extended TDY and Foreign TDY payments
 - » NSSC does not “pay and chase” Extended TDY and Foreign vouchers
 - » NSSC will not be able to adjust vouchers if the amount of reimbursement is more or less than the amount claimed
 - » eTravel, Extended TDY, and Foreign Travel vouchers would be returned to the preparer for correction, re-approval, and resubmission before payment

Electronic Document Management (EDM) Update

- Key Benchmark Findings
 - Capacity exceeded requirements
 - » Software and hardware not fully leveraged
 - » Per-employee productivity significantly below industry average
 - NSSC's patchwork EDM infrastructure should be replaced with an integrated solution
 - Consistency and discipline in source inputs would increase productivity
 - Integrating NSSC's EDM system with critical NSSC and Agency business systems would increase productivity
- Short Term Actions
 - ☑ Automated and manual reconciliation at key points in the document management process
 - ☑ Personnel actions
 - ☑ Kofax software and firmware upgrades to gain new features and make better use of existing features
 - ☑ Automatic generation of Remedy work tickets

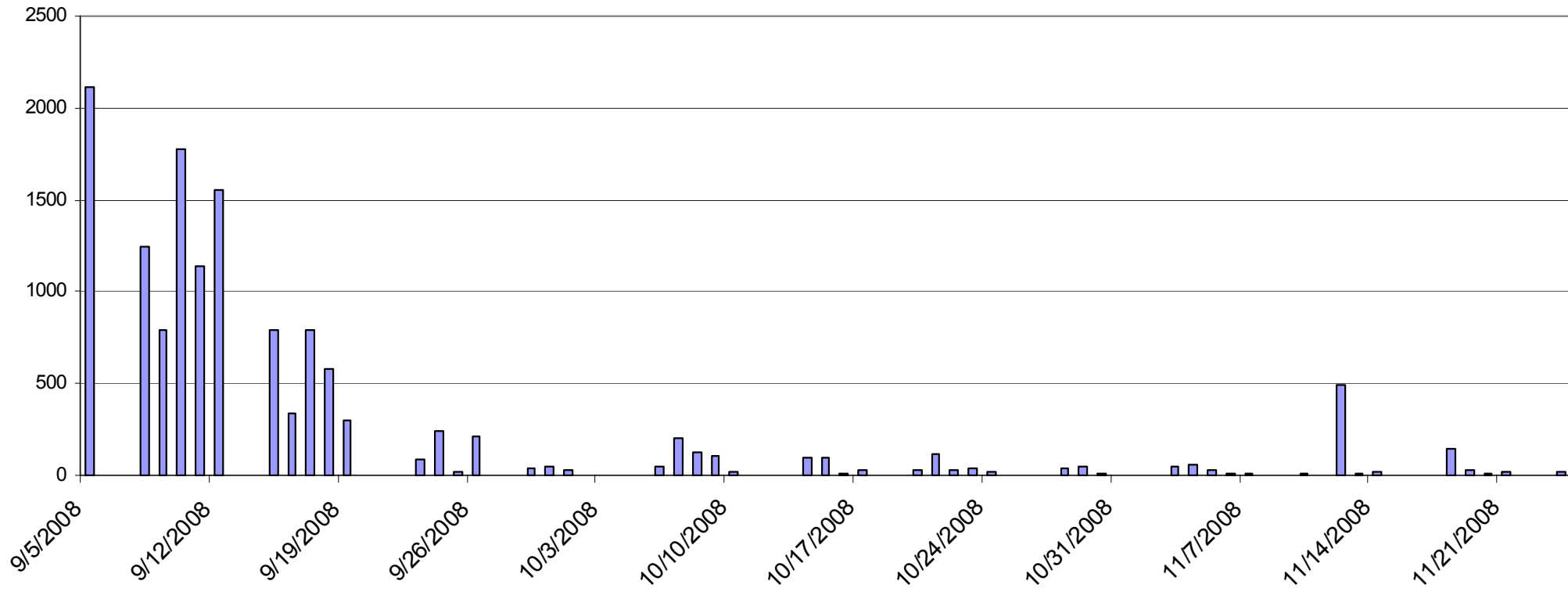
EDM Update (continued)

- Short Term Actions (continued)
 - ✓ Daily DI status reports
 - ✓ Work flow changes to reduce hand offs
 - ✓ Redesign of DI work space
 - ✓ Service Level Agreements between DI and departments
 - ✓ Use a vendor look up table to recognize and flag high profile and short turn around invoices
 - ✓ Functional training in document recognition and routing
- Long Term Actions
 - “Teach” software to recognize invoices
 - Reducing input sources
 - Simplify and standardize inputs
 - » Limit acceptable file types
 - » Limit the number of invoices per electronic transmission

EDM Update (continued)

- Long Term Actions (continued)
 - Require use of cover sheet containing key meta data to separate documents
 - Include indexing data in body of email when attaching invoices
 - Reject documents if sent to incorrect address or incorrect format
 - Require use of cover sheet defining documents/pages included and key meta data
 - Implement confirmation of document receipt emails
 - Active Change Management for changes impacting Centers/vendors
- The NSSC did not adopt the recommendation to implement an integrated EDM Solution
 - EDM performance has significantly improved with implementation of short term solutions: backlog eliminated, virtually real time processing of documents, no DI failures, overtime eliminated
 - An integrated EDM system will be costly (\$3M to \$5M) and would disrupt processes across all functional areas
 - Absent integration of the NSSC's EDM system with critical business systems (SAP, an Agency Workflow System) the ROI would be negligible or even negative
 - Since the NSSC would continue to use AWMS to route invoices (absent an Agency Workflow System) and TechDoc (the Agency's official document repository), the end result would still be a patchwork system

Document Imaging Daily Worklog Trend



- 11/12/08 – Day after Veteran’s Day – 497
- 11/18/08 – Late mail delivery – 144
- Next Day Recovery
- Overtime Eliminated
- “Real Time” delivery to floor
- Consistent Volume – Approximately 800 documents/day delivered

Benchmarking Update

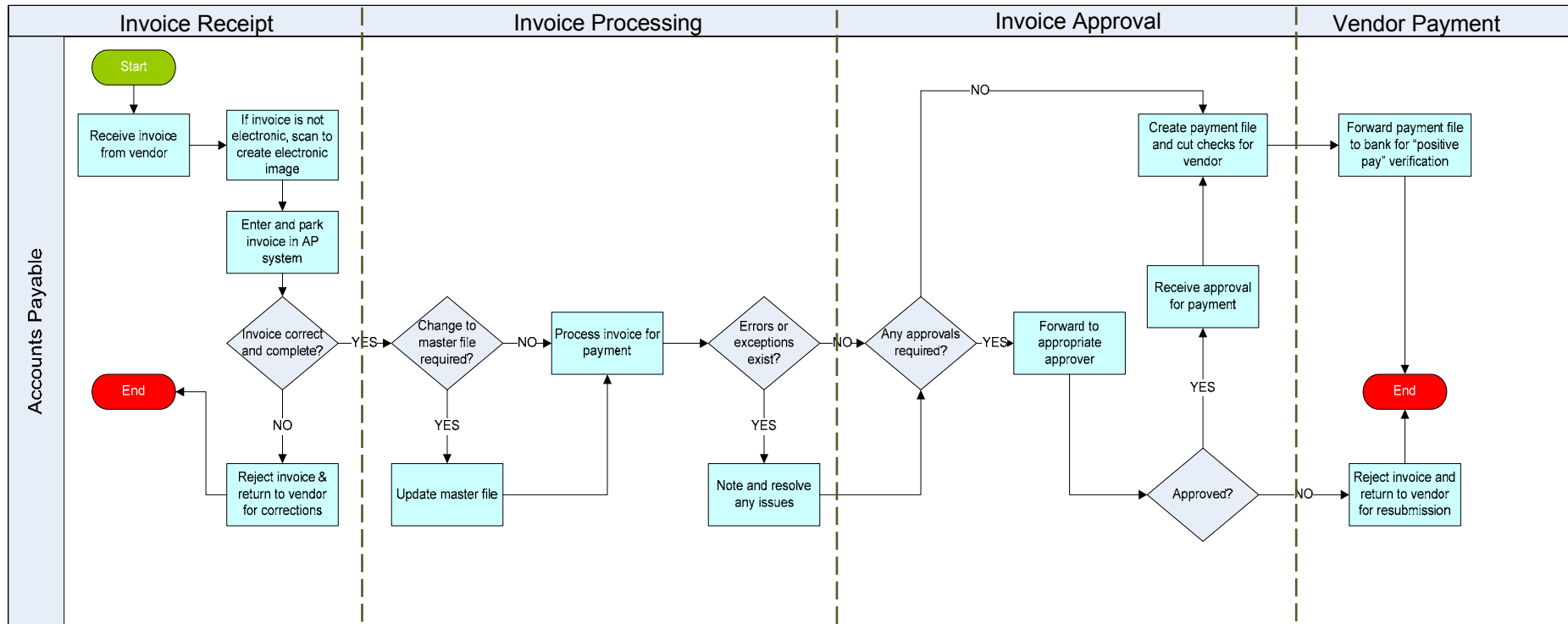
Key AP Cost and Performance Measures

- Current state information is organized in the table below to parallel the structure of the Industry Benchmark Section and allow for direct comparison between NASA and private industry categories

Benchmark	NASA SSC Average	Comments
Number of Payments per Month per AP Employee	88	Calculated using 100,330 planned transactions for the year/12 months/95 staff (Civil Servant and Contractor) from FY09 Plan
Cost to Process a Vendor Payment	\$72.62	Calculated using \$7,286,043 in direct labor costs (direct labor, accrued benefits, CSC cost, and training)/100,330 planned transactions from FY09 Plan
Days to Process a Vendor Payment	25.1	Derived from data culled from AWMS measuring time lapsed between receipt of invoice and payment posting for July 2008
Vendor Payments with Errors AP Reversals	3.8%	<ul style="list-style-type: none"> NSSC data for AP reversals reported in the Performance and Utilization Report is compared to private industry data for Vendor Payments with Errors. AP reversals for private industry are captured in the number of vendor payments with errors. AP reversals at the NSSC are not necessarily indicative of vendor payments with errors, but the number of vendor payments with errors is assumed to be small. These two metrics are the closest available to compare vendor payments requiring re-work, and each represents the largest source of rework of vendor payments The latest reported numbers (June and July 2008) are used, as they are more reflective of a stabilized process Calculated using the average of 101 reversals out of 2,727 payments in June and 227 reversals out of 5,860 payments in July
Invoices Paid Within Specified Terms	96.9%	<ul style="list-style-type: none"> NSSC data for this benchmark is approximated by the number of late payments reported in the Performance and Utilization Report The latest reported numbers (June and July 2008) are used, as they are more reflective of a stabilized process Calculated using the average of 88 late out of 2,727 total payments in June and 173 out of 5,860 payments in July
Number of Vendors in the Master Vendor File	54,000	This number will likely grow and includes both vendors and employees who are set up in SAP as vendors for travel expense reimbursement purposes – see below
Purge of the Master Vendor File	never	Currently, vendor information is only updated. The only “purge” occurs if updates require the creation of a new vendor record to replace an old one. In that case, the old record is deleted. Vendors no longer used remain in the file
Bank Card Spend as a Percentage of Total Spend	1.42%	Calculated using bank card spend of \$142,800,000/total AP spend of \$10,030,130,226 (FY2007)

Industry Benchmarks & Leading Practices

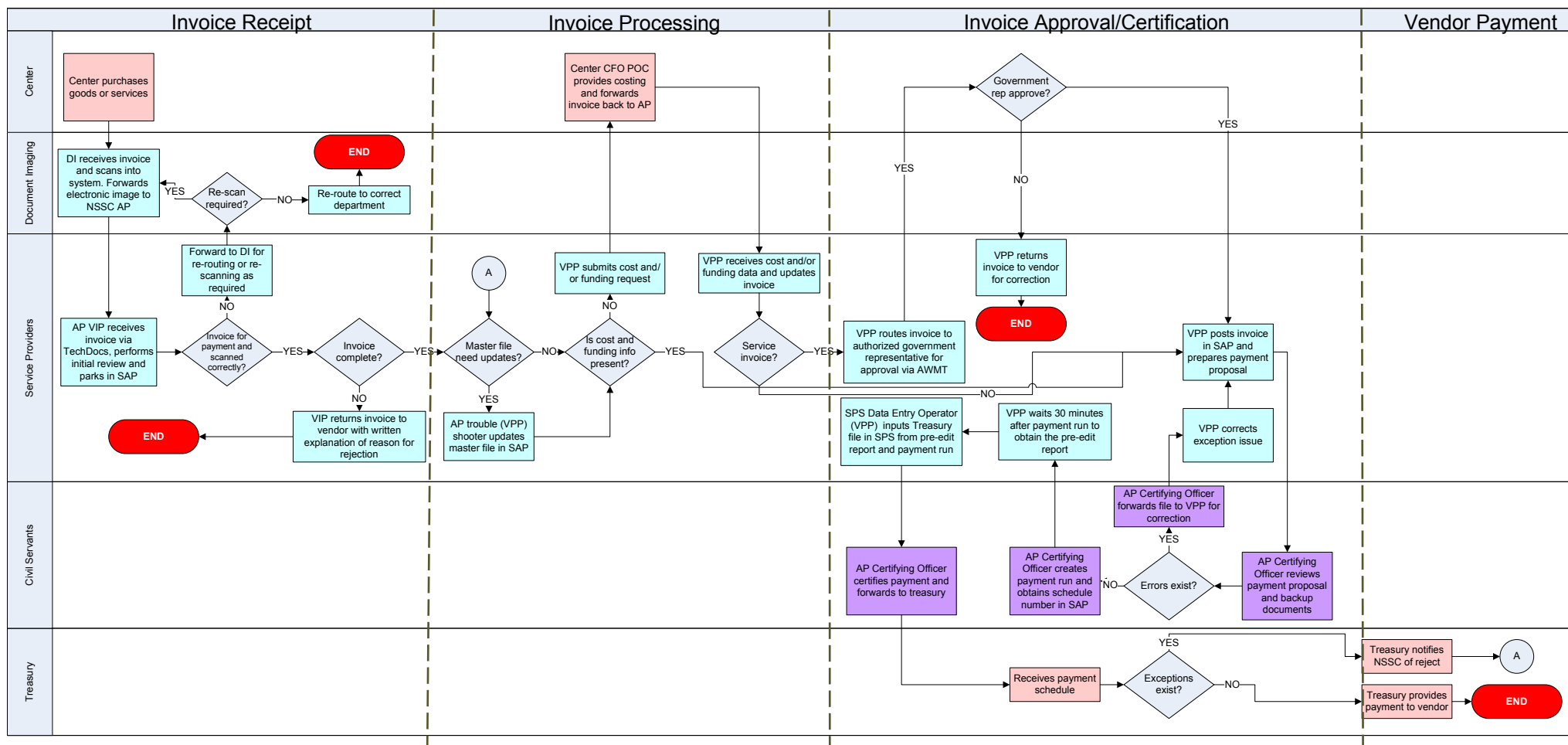
Typical Accounts Payable Process



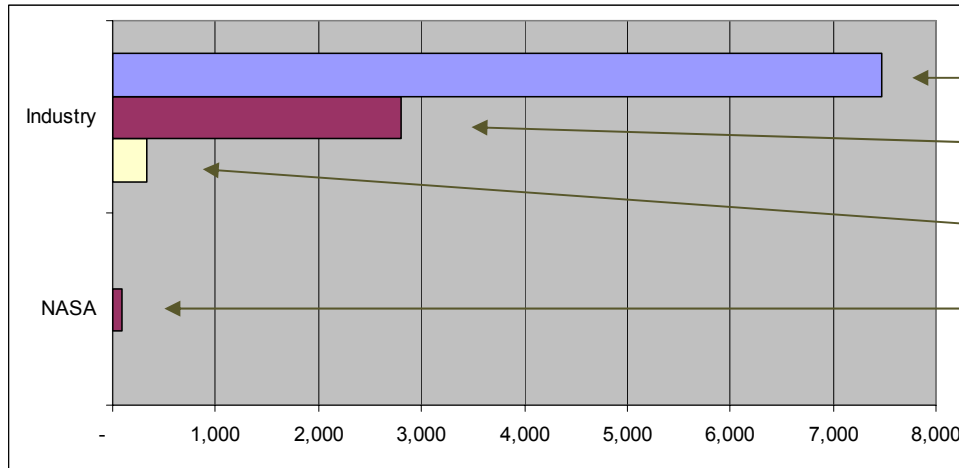
• **The diagram illustrates the boundaries and sub-processes of a typical accounts payable process from which the benchmarks and leading practices are drawn**

- The typical AP process includes both invoice scanning at the front and check printing at the end of the process; these functions may or may not be performed in-house
- Many parts of the process are automated
 - Invoice entry
 - Matching process
 - Payment creation
- Not depicted, but often seen in highly-automated processes, is an audit function where a select percentage of transactions are reviewed rather than each being examined individually in the process

Current State NASA Accounts Payable Process Flow



Number of Payments Made per Month per AP Employee



Industry 90th Percentile: 7,478

Industry Average: 2,808

Industry 10th Percentile: 326

NASA FY 2009 Op Plan: 88

Bridging the Gap

- Achieving 10th percentile performance will require a four-fold increase in productivity
- If productivity gains are not achievable, attaining 10th percentile performance requires a 75% reduction in planned FY09 headcount

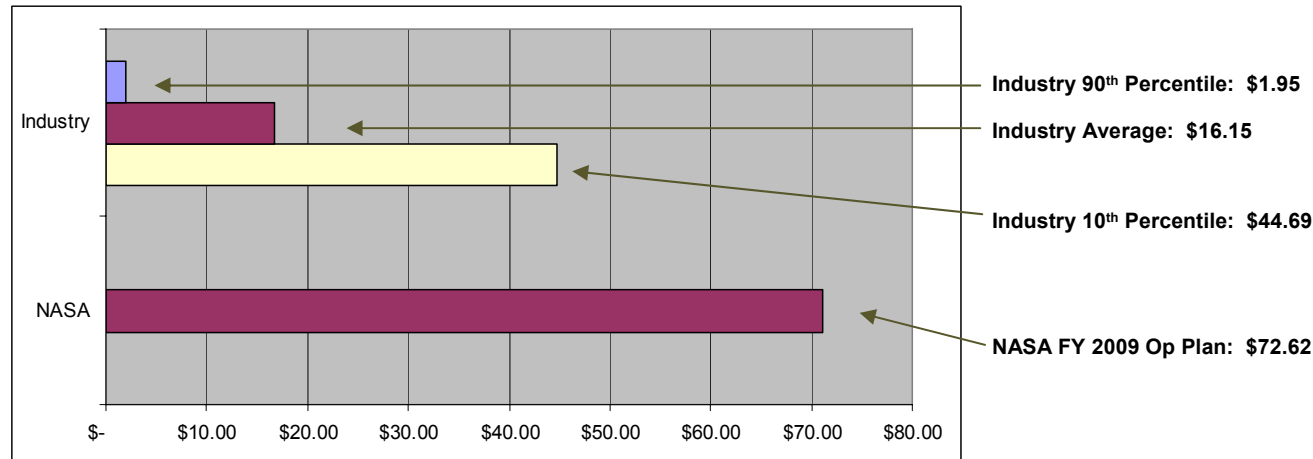
Observations/Conclusions

- The NSSC's productivity is substantially below private industry levels, primarily due to current AP process constraints
- Productivity is impacted by:
 - Amount of manual processing
 - Time requirements of the three-way match process
 - Rigorous exception rules that contribute to a greater volume of re-work
- Lack of a unified technology solution results in:
 - Manual navigation from system to system
 - Increased training requirements
 - Introduction of potential failure points or data entry errors resulting in unnecessary re-work
- The verification/certification process is complex and results in duplication of effort between invoice approval and payment
- Staff member productivity is not a key performance measure, resulting in missed opportunities for performance improvement

Recommendations

- Reduce AP headcount (or grow without adding staff) and increase department throughput by:
 - Replacing the three-way match requirement with two-way matching for high-volume, low-dollar invoices
 - Reducing invoice handling times
 - Streamlining the invoice approval and certification process
 - Implementing electronic invoicing and presentment functionality
 - Improving overall workflow management
 - Investigating automatic matching functionality
- Integrate technologies (e.g., SAP, SPS, TechDocs, etc.) into a unified solution to allow for "straight-through" processing
- Track, analyze, and report employee productivity to drive improvements

Cost to Process an Invoice



Bridging the Gap

- Attaining 10th percentile performance will require a 40% reduction in direct processing costs. For every FTE/WYE eliminated from the processing stream, a reduction of \$.75 per invoice (1%) can be achieved.¹
- The certification step contributes about 5% to total processing costs; without certification the cost to process an invoice would be \$68.77. This step cannot be removed.²
- Though not reflected in the labor costs shown here, Document Imaging contributes about 10% to overall AP costs. Adopting electronic invoicing and eliminating the need for Document Imaging would reduce total costs by 10%.

¹Calculated using FY2009 Plan weighted average individual labor costs (Civil Servant and Contractor) divided by FY2009 planned transactions (\$75,000/100,330)

²Calculated using AP's estimate of certification taking an average of 4 hours per day of each of 7 Civil Servant's time—or 53%. Removing 53% of the Civil Servant costs yields the adjusted cost per invoice

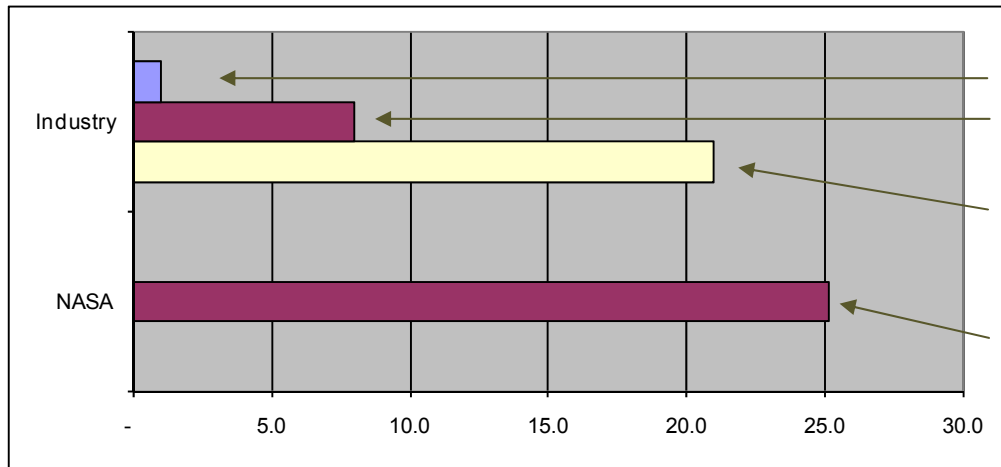
Observations/Conclusions

- The NSSC's invoice processing costs are higher than private industry benchmarks
- Contributing to the variance between NSSC and private industry cost benchmarks:
 - Manual effort required from invoice validation through payment authorization
 - Lack of a fully integrated and automated technology solution
 - Certification process for all payments, which is not generally found in private industry
- Although NSSC's labor costs align closely with private industry, employee headcount appears to be higher than private industry based on current and planned transaction volumes
- Span of control and layers of management appear to be significant contributors to overhead costs (even though overhead costs are not included above)

Recommendations

- Lower NSSC cost structure by driving down direct costs through automation and process improvement in the following areas:
 - Validation and authorization processes
 - Manual entry of payment information
 - Use of electronic invoicing
 - Increase use of bank cards
- Further improve overall cost structure by:
 - Increasing management span of control
 - Reduce management overhead
 - Managing downward allocations and other support costs
- Adopt policy changes that allow for payments under a certain dollar amount to be made without approval/in-depth authorization

Days to Process a Vendor Payment



Bridging the Gap

- Current average processing time is very close to the private industry range
- In the data supplied for July 2008, only 10% of invoices have processing times greater than 30 days
- Eliminating the causes of these aged invoices alone would bring the NASA average to within one day of the private industry range

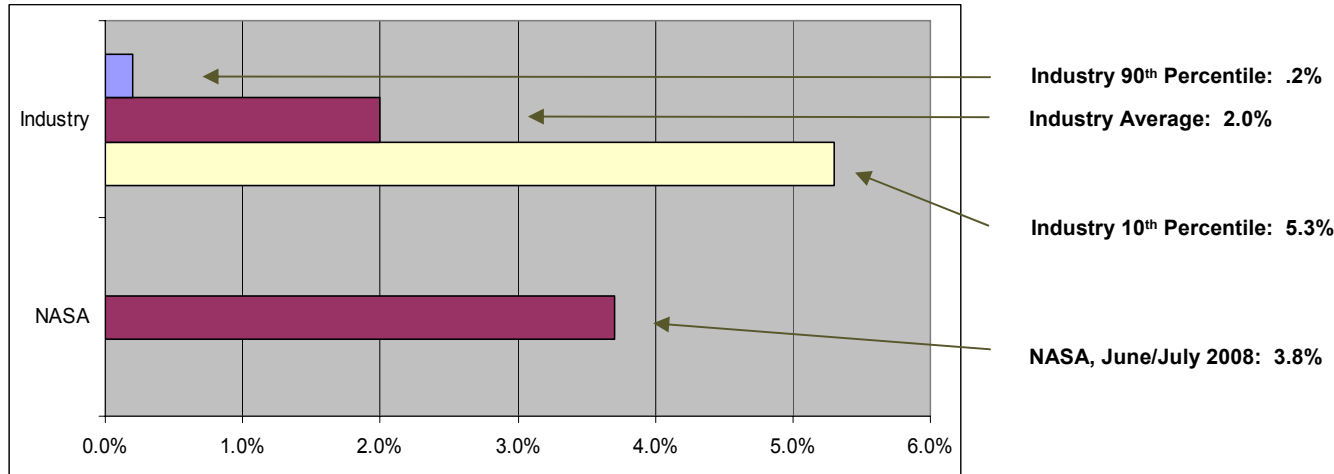
Observations/Conclusions

- Average invoice processing times are not significantly out of line with private industry
- A key driver for performance is the Prompt Payment Act, which provides an incentive to the NSSC to maintain control over payment schedules
- Payment due dates have a direct impact on the timing of when payments are processed, impacting the NSSC's ability to drive average processing times lower

Recommendations

- Establish days to process vendor payments as a key performance measure
- Conduct root-cause analysis to identify opportunities to align more closely with the private industry average
- Determine if improving processing times will result in the opportunity to take advantage of vendor discounts

Vendor Payments with Errors (AP Reversals)



Bridging the Gap

- The percentage of AP reversals is already within the range of errors observed in private industry and is showing a trend of continuing improvement
- Achieving the industry average will require that the number of errors/reversals be reduced by approximately 50%

Observations/Conclusions

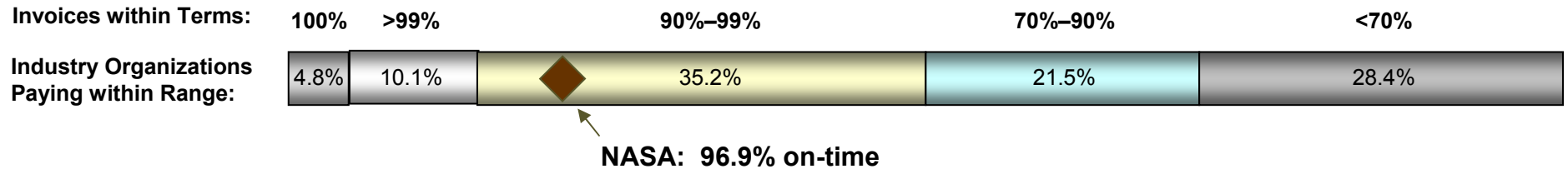
- Although above the private industry average, the NSSC's percentage of payment reversals/payments with errors remains within the observed range for private industry
- From February through July, the NSSC has steadily improved the percentage of payments with errors, and with a continued focus, can expect to meet or dip below the private industry average
- A primary cause for Treasury rejects, and subsequent payment reversals, is incorrect vendor banking information in the vendor master file or CCR. Other payment reversals generally result from costing changes made after payment
- Time and effort spent in invoice validation/master file validation contributes to low number of errors, although the added diligence increases cycle times and subsequently costs
- Manual steps in the AP process introduce more opportunities for error

Recommendations

- Conduct root-cause analysis to identify sources/causes of the most frequently-occurring errors
- Implement a plan to reduce errors related to incorrect banking information by:
 - Requiring that vendors use and update CCR
 - Introducing an automatic reconciliation process between CCR and SAP
- Examine invoice validation process to determine the impact a less rigorous approach would have on error rates, costs, and cycle times. Consider a change in policy if error correction is more costly than the cost implications of the error
- Investigate manual touch points to determine if errors are introduced through data entry, and if so, investigate ways to automate the relevant processes

Accounts Payable – Benchmark Comparison (continued)

Invoices Paid Within Specified Terms



Observations/Conclusions

- The percent of invoices paid within terms at the NSSC is within the same range as the majority of private industry respondents; this is likely due to the requirements of the Prompt Payment Act
- Continued and sustained progress has been made in improving the percent of invoices paid within terms; however, the SLA target of 98% is still not being met
- No apparent processes have been adopted to ensure that payment discounts are realized

Recommendations

- Continue tracking and monitoring invoices paid within terms and identify opportunities to improve performance to meet SLA targets
- Analyze the number of invoices that have discount terms and determine the cost of system and process changes required to capture a greater number of discounts. If benefits outweigh costs, consider implementing required changes

Accounts Payable - Crosswalk

ScottMadden Recommendation

- Reduce AP headcount (or handle increased volume without adding staff) and increase department throughput by:
 - Replacing the three-way match requirement with two-way matching for high-volume, low-dollar invoices
 - Reducing invoice handling times
 - Streamlining the invoice approval and certification process
 - Implementing electronic invoicing and presentment functionality
 - Improving overall workflow management
 - Investigating automatic matching functionality

Core Team and NSSC Proposed Actions

- Increase department throughput by reducing invoice handling times
- Develop a system to identify and efficiently process high-volume low-dollar and less-than-30-days invoices
- Make the NSSC the DBO for all invoices
- Original intent was for the SAP system to perform a 3-way match without human review; this should be explored further
- Implement EDI solution for vendors to submit invoices
- Educate vendors on the terms for valid invoices as required in the Prompt Payment Act

Accounts Payable - Crosswalk

ScottMadden Recommendation

- Lower NSSC cost structure by driving down direct costs through automation and process improvement in the following areas:
 - Validation and authorization processes
 - Manual entry of payment information
 - Integration of key systems including SAP, SPS, TechDoc, etc. into a unified solution to allow for “straight-through” processing
 - Increased use of bank cards
 - Further improve overall cost structure by:
 - » Increasing management span of control
 - » Reduce management overhead
 - » Managing downward cost allocations (e.g., IT support costs)
 - » Expand NSSC services through new business opportunities and scale operations to spread costs across a broader base of services

NSSC Proposed Actions

- Relook at feasibility of acquiring SAP bolt-on/ integrated software for routing invoices within SAP, or change SAP Workflow to accommodate expansion of P-Groups to route invoices to designees such as COTRs without interfering with the routing of other contract-related documents
- Look for a comprehensive total solution to document routing which includes OHR, procurement, general correspondence along with AP invoices
- Implement tool that facilitates invoice payment with little human intervention such as ReadSoft, 170 Systems, Basware, etc.
- Modify Agency invoice approval tool (SAP Workflow) to comply with Agency procurement policy (delegation of invoice approval)
- Develop automated means for NSSC certifiers to validate that invoices have been approved by authorized government approver
- Look for an integrated Electronic Document Management suite to address system vulnerabilities that are endemic to the patchwork EDM systems that have evolved

Accounts Payable - Crosswalk

ScottMadden Recommendation

- Integrate the CCR with the Master Vendor File. Require that vendors update their information on the CCR. If the CCR can reliably replace the NSSC Master Vendor File, investigate doing so, as there may be maintenance costs savings in addition to improvements in the AP process.
- As Centers complete the transition to NSSC, reduce the number of different vendors used by Centers for the same product/service. This may also allow for the negotiation of more favorable terms.
- Consider simplifying the SAP WBS, recognizing that configuration changes of this nature may not be feasible given the broader requirements of the enterprise.
- Eliminate hybrid processes or processes that differ between Centers in order to remove complexity. This should help to eliminate errors or oversights as well as to reduce costs.
- Use of electronic invoicing options can reduce costs by improving cycle times and eliminating manual document imaging requirements. Investigate cost of the capability and build business case to implement if the payback period for labor savings is acceptable.

NSSC Proposed Actions

- Use only the CCR for obtaining vendor banking information rather than the ACH forms provided by vendors.
- Discontinue use of the vendor master record.
- (NONE)
- Review the Agency costing process with HQ OCFO and Centers to explore the possibility of separating the costing and payment processes.
- Implement procedures at Center to require centralized delivery of goods (authorized and unauthorized direct deliveries are problematic).
- Look at possibility of establishing a threshold value below which deliveries can be exempted from the official 103/105 process.
- Require vendors to submit electronic invoices in consistent formats.
- Establish conventions for format and files names.
- Perform benchmarking to determine how DOD and other agencies instruct vendors to submit invoices.

Accounts Payable - Crosswalk

ScottMadden Recommendation

- Additional proposed actions not tied to ScottMadden recommendations

NSSC Proposed Actions

- Standardize reporting to use during a disruption of business (COOP)
- Explore Fast Pay provisions

Executive Director Backup

Net Present Value (NPV):

- Present (discounted) value of future cash inflows minus present value of the investment and any associated future cash outflows...present value of anticipated annual costs savings/avoidance
- Net result of a multiyear investment expressed in today's dollars to indicate the “value” or “worthiness” of an investment

Payback Period:

- Net investment amount divided by the average annual cash flow (savings/avoidance)
- Answers the question “How long will it take to get my money back?”

Internal Rate of Return (IRR):

- Discount rate that results in a NPV of zero for a series of future cash flows...a cutoff rate of return
- Investment or project typically avoided if its IRR is less than its cost of capital or minimum desired rate of return
- Provides a simple hurdle rate for investment decision-making

Savings:

- Reflects costs saved or avoided that could be redirected to other priorities within NASA

Discount:

- Minimum required rate of return on initial investment
- 2.5% selected from OMB Circular A-94, Appendix C for *2003 NSSC Implementation Plan*

B&A/CS&C BACK-UP SLIDES

Consequence Rating						
	Very Low	Low	Moderate	High	Very High	
	LEVEL	1	2	3	4	5
I M P A C T	SAFETY	Magnitude of harm or discomfort to employees, contractors, or public is not greater than ordinarily encountered in daily life --Or-- Negligible damage to asset consistent with normal wear and tear	Minor first-aid treatment (does not adversely affect personal safety or health) --Or-- Minor loss/damage to agency capabilities, resources or assets --Or-- Administrative regulatory non-compliance (scoped to safety, health and environment)	Medical treatment for a injury or incapacitation --Or-- Moderate loss/damage to agency capabilities, resources or assets --Or-- Moderate regulatory non-compliance (scoped to safety, health and environment)	Severe injury or incapacitation --Or-- Major loss/damage to agency capabilities, resources or assets --Or-- Major regulatory non-compliance (scoped to safety, health and environment)	Death or permanent disability --Or-- Complete loss of critical agency capabilities, resources or assets
	PERFORMANCE	Nuisance. No impact on Program Mission objective -- Or-- No loss of Agency capability --Or-- Non-compliance with internal policy and procedures -- No corrective action or modification is needed to current or future Missions	Minor impact on Program Mission --Or-- Minor loss of Agency capability --Or-- Administrative regulatory non-compliance -- Mild corrective actions or slight modifications are needed to achieve Program Mission goal, to maintain Agency capability, or remedy non-compliance to current or future Missions	Moderate impact on Program Mission goals -- Or-- Moderate loss of Agency capability --Or-- Moderate regulatory non-compliance -- Corrective actions or modifications are available to achieve Program Mission goal, to maintain Agency capability, or remedy non-compliance to current or future Missions	Major impacts to Program Mission goals -- Or -- Major loss of Agency capability --Or-- Major regulatory non-compliance -- Corrective actions or modifications may be technically feasible. Program Mission goal, Agency capability, or non-compliance remedy cannot be achieved through available resources or time constraints to current or future Missions	Program Mission goals are not achievable -- Or -- Complete loss of critical Agency capability for current or future Missions -- Or -- Critical non-compliance with human or environmental harm -- Corrective actions or modification technically difficult and expensive -- Or -- Incur future Agency liability
	SCHEDULE	Negligible impact with slight schedule adjustments. Impact can be compensated by available schedule with no change of end date (e.g., 1 month delay to major project milestones)	Negligible impact with slight schedule change. Impact cannot be compensated by available schedule and impacts end date (e.g., 1 to 3 month delay to major project milestones)	Moderate overall schedule impact (e.g., >3 month delay to major project milestone --Or-- 1 month delay to major program milestone)	Major overall schedule impact (e.g., 1 to 3 month delay to major program milestone) -- Or -- fines	Unable to achieve key/major milestone (e.g., >3 month delay to major program milestone) -- Or -- Externally mandated work stoppage and fines
	COST	Impact of < 0.1% to functional-Or-project budget-Or-< \$100K impact	Impact of > 0.1% and < 1% to functional-Or-project budget-Or-> \$100,001-\$200K	Impact of > 1% and < 10% to functional-Or-project budget-Or-> \$200,001-\$500K	Impact of > 10 % and < 25% to functional-Or-project budget-Or-> \$500,001-\$1M	Impact of > 25% to functional-Or-project budget-Or-> \$1M

Level Low Risks Summary



Risk #	Risk Title	Probability	Cost	Schedule	Performance
4725	Saturn Three Character Type Passwords	2	1	0	1
4073	COOP Activation	1	3	3	3

- Thirteen separate surveys were deployed for twelve service areas
 - Financial Management
 - Permanent Change of Station (PCS)
 - Extended Temporary Duty (TDY) Assistance
 - Off-Site Training
 - On-Site Training
 - Human Resources
 - SES Case Documentation
 - Financial Disclosure
 - New Hire In-Processing
 - Leave Donor/Recipient Processing
 - Grants and Cooperative Agreements
 - SBIR and STTR Award Processing

Service Delivery Backup

Scorecard By Center – October



Activity by Center	ARC	DFRC	GRC	GSFC	HQ	JSC	KSC	LaRC	MSFC	NSSC	SSC
Acct Payable - On Time Paymts	R	R	R	R	R	R	R	Y	R	R	G
Acct Payable - Int. < \$200 / MM	G	G	G	G	G	G	G	G	G	G	G
Payroll	G	G	G	G	G	G	G	G	G	G	G
Domestic Travel	G	G	G	G	G	G	G	G	G	G	G
Foreign Travel	G	G	G	G	G	G		G	G		
PCS (6) Travel			G	G	G	G	G	G	G		
PCS (15) Travel	G	G	G	G	G	G		G	G	G	
PCS (30) Travel			G					G	G		
Relocation Assistance - Prudential	G	G	G	G		G	G	G	G		G
Agency Awards & Recognition	G	G		G	G	G	G	G	G	G	
Off-Site Training	R	Y	G	G	G	G	G	G	G	G	G
Internal Training -<25K				G	G	G	G		G		G
Internal Training ->25K						G					
SES Appointments	G		G								
SES CDP Mentor Appraisals											
Retirement Estimate - 10 day		G	G	G	G	G		Y	G		
Retirement Estimate - 20 day	G		G	G	R	G	R	G	G	G	
Retirement Estimate - 45 day			G		G				G		
Retirement Processing - 10 day	G	G	G	G	G	G	G	G	G		
Retirement Processing - 20 day											
eOPF - 15 Day	G	G	G	G	G	G	G	G	G	G	G
eOPF - 25 day	G			G	G	G	G	G	G	G	
Personnel Action Processing	G	G	G	G	G	G	G	G	G	G	G
Grants											
Grants - Supplemental	G	G	G	G	G	G	G	G	G	G	G
SBIR / STTR - Phase 1											
SBIR / STTR - Phase 2											
Initial Call Resolution	G	G	G	G	G	G	G	G	G	G	G

Reason Codes for Late Payments November 2008

Reason Codes	Total # of Interest Payments	Total \$ Amount of Interest Payments	% of Total Count	% of Total Dollar Amount
1	71	\$ 22,573.52	25%	53%
4	32	\$ 1,167.82	11%	3%
5	19	\$ 2,384.79	7%	6%
11	19	\$ 900.44	7%	2%
12	19	\$ 2,615.16	7%	6%
13	85	\$ 6,556.86	30%	15%
14	22	\$ 1,627.88	8%	4%
15	1	\$ 2.23	0%	0%
16	7	\$ 4,391.26	2%	10%
20	6	\$ 233.90	2%	1%
Total	281	\$ 42,453.86	100%	100%

Interest Reason Codes:

1 NSSC	12 Late Receipt of invoice
2 Late receipt of PO/Contract	13 Late Approvals
4 Late Goods Receipt	14 Funds not Available
5 Other (Requires Explanation)	15 Treasury Delays
7 SAP/Software Related	16 P/O Contract Requires Corrections
8 CMM/Software Related	17 Discount taken in Error
9 Calculation Error	18 Failure to Notify Vendor of Improper Invoice
10 Misdirected Invoice	19 Other Delays Within Paying Office
	20 Technician Delay (Center)

Electronic Document Management Background

- NSSC selected a vendor to conduct an independent, expert review and benchmarking of the NSSC's electronic document management (EDM) infrastructure
 - SOW in July; contract award in August; review completed November 2
 - Requirements included
 - » Assessment of current NSSC EDM environment and comparison with industry best practices
 - » Identify NSSC vulnerabilities
 - » Recommend short-term and long-term improvements
- NSSC evaluated EDM recommendations
 - The recommendations included actions already underway from the NSSC's internal EDM review
 - Most but not all recommendations were adopted
 - Most long term recommendations require vendor change management and/or modification of contract language

Benchmarking Update

- The NSSC independent, benchmarking study will be used to
 - Identify best practices associated with leading indicators
 - Identify major NSSC cost drivers for each activity
 - Set reasonable rate targets
 - Gain an understanding of how private industry and government organizations deliver similar services
 - » Identify policy and procedures that if changed will reduce rates
 - » Identify new technology that can be leveraged to reduce rates
 - Private sector benchmarking study from June – September 2008
 - » AP, Payroll and Travel benchmarked
 - NSSC participating in a Federal shared services benchmarking blind study
 - » A structured Federal sector benchmarking vehicle did not exist
 - » Study will be conducted from December 2008 – April 2009
 - » Expect 8+ agencies to participate

NASA Protective Services Contract Update

- Final Agency-wide Contract administration and Communication Plan submitted to HQ, Procurement on 11/14/09.
- Weekly HQ Procurement pre-transition telecons with OSPP, NPSC COTR, Center Contracting Officers, Center Task Order Managers and NSSC CO
- NPSC Transition Team pre-transition visits to KSC, JSC, IV&V, WSTF and SSC/MAF in October and November. Performance begins 01/01/09
- KSC Launch and Landing Task Order under negotiations for Feb 09 launch with Coastal International Security
- WSI protest – Ruling from COFC judge expected about Dec 5. Centers proceeding with transitioning activities.

